



Department of  
Primary Industries and  
Regional Development

*We're working for  
Western Australia.*



# UNLOCKING POTENTIAL

**2018/19 SWDC ANNUAL REPORT**



# CONTENTS

Our vision	3
About this report	4
Chairman's summary	6
Agency performance	9
Highlights	11
Grant programs	14
Project awards	15
Local content	16
Trade	17
Our region: South West WA	18
About us	20
Board	21
Executive	23
Our office, our people	24
Funding programs	28
Strategic priorities	34
Infrastructure	35
Industry and Business	42
People and Place	49
Community	55
Disclosures and legal requirements	58
Financial reports	60
Key performance indicators	96



**COMMUNITIES.  
PEOPLE.  
BUSINESSES.  
IDEAS.**

**We see potential everywhere and  
in everything. Our job is to work  
with stakeholders to unlock it.**

## Accessibility

To request alternative versions of this report or to provide feedback, contact us on 9792 2000 or [info@swdc.wa.gov.au](mailto:info@swdc.wa.gov.au).

## Online

We encourage readers to support the environment and access this report online where possible. Visit [www.swdc.wa.gov.au](http://www.swdc.wa.gov.au).





## We have a vision....

By 2050 the South West of Western Australia will be recognised internationally as a region of excellence.

► To achieve this vision we have four strategic priority areas:

- Infrastructure
- Industry and Business
- People and Place
- Community

► Helping to attain our goal is our team

Our staff members work with stakeholders in the region to achieve our vision. Our stakeholders are people like you, representing areas such as government, community and industry.



Plans are underway to realise a vision to transform the historic Collie Roundhouse into a thriving tourist attraction.



## Message to the Honourable Alannah MacTiernan MLC Minister for Regional Development

In accordance with Section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of the South West Development Commission, for the financial year ended 30 June 2019.

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

Nick Belyea  
Chairman of the Board  
18 September 2019

Ashley Clements  
A/Chief Executive Officer  
18 September 2019

## Welcome to the South West Development Commission's annual report for 2018/19.

This report tells the story of what we do, how we work, and how we are shaping the South West.

Importantly, this document highlights how we are performing against our strategic priorities.

Most of the information about our performance is contained in chapters named after our four delivery areas:

### INFRASTRUCTURE



### INDUSTRY + BUSINESS



### PEOPLE + PLACE



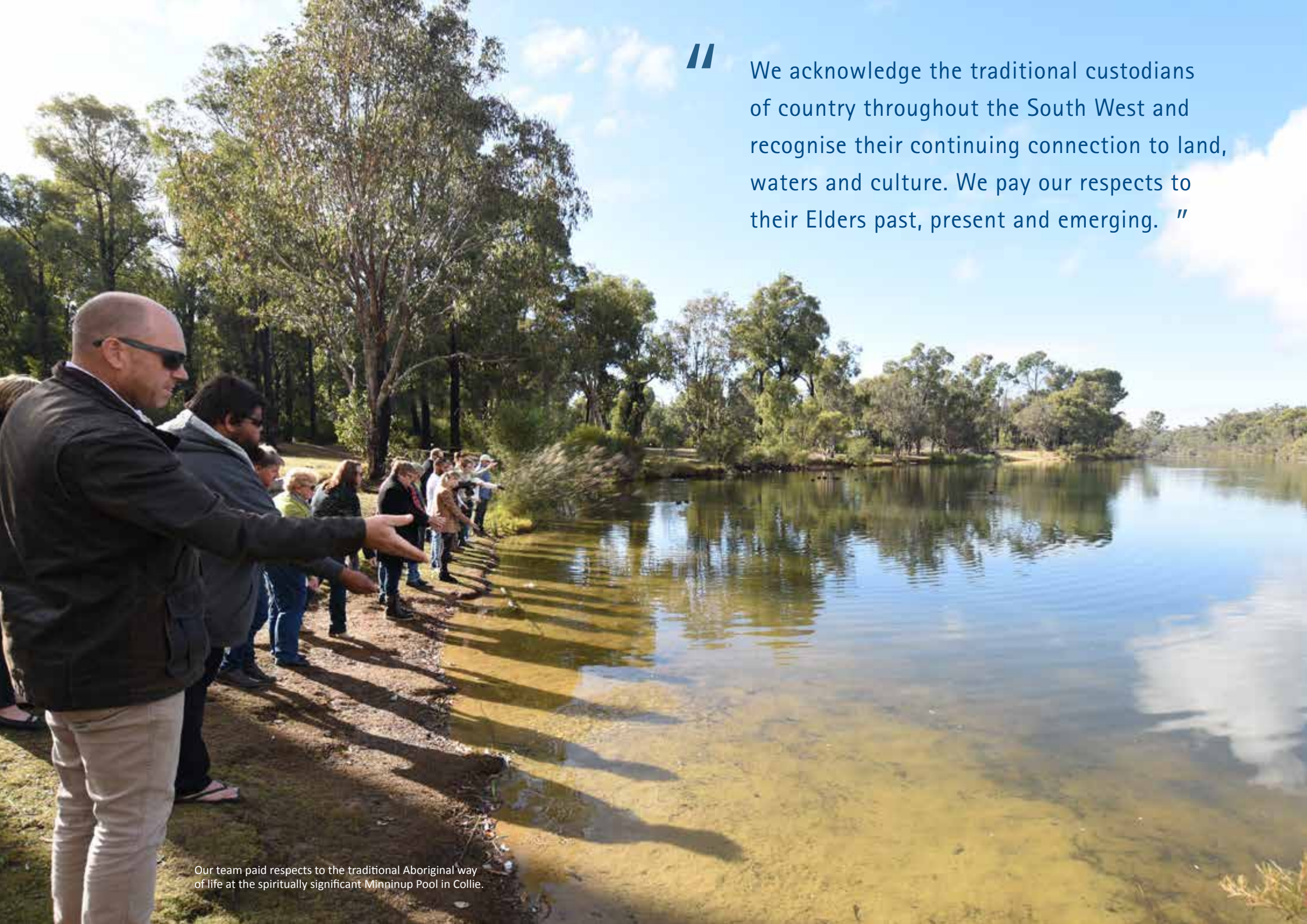
### COMMUNITY





//

We acknowledge the traditional custodians of country throughout the South West and recognise their continuing connection to land, waters and culture. We pay our respects to their Elders past, present and emerging. "



Our team paid respects to the traditional Aboriginal way of life at the spiritually significant Minninup Pool in Collie.





# CHAIRMAN'S SUMMARY

By Nick Belyea

//

2018/19 has been a year of significant challenges and opportunities.

To begin with, the evolving energy sector further impacted on the coal mining and power generation town of Collie. Our continuing challenge is to further unlock the considerable potential of Collie and to transition its economy. It is great to see we are moving in the right direction through the growing number of organisations taking up funding incentives – through the Collie Futures Fund – to adopt Collie as their base for job-creating initiatives.

We need to be mindful that Collie's transition is not an overnight fix, but firm foundations for a prosperous future have been put in place. State Government investment has and continues to provide opportunities and I am excited about plans to establish Collie as a world-class trails

adventure town. I'm also looking forward to seeing the disused, heritage-listed Collie Roundhouse turned into a unique attraction that will stimulate economic outcomes and create jobs.

Collie's transformation to a vibrant inland town in the South West will take time and effort by Government and a significant number of organisations and individuals. However, if the effort put in to date is anything to go by, I'm confident of a bright future for Collie.

Another game-changing economic opportunity for the South West is its unique position at the centre of the world-wide lithium boom. This has sparked a new era in job creation for the region, with the expansion of the Talison lithium mine at Greenbushes and construction underway on the \$1 billion Albemarle plant in the Kemerton industrial estate.

Last year, the Commission held a local content event in order to connect local businesses with

the opportunities that will be generated through the new lithium hydroxide plant. And this year we further worked with local communities to help them plan to take advantage of this growth. Our efforts included teaming up with stakeholders to carry out a pre-feasibility study looking at the viability of a rail-based supply chain solution to connect Greenbushes with the Bunbury Port.

Major outcomes this year include the successful delivery of the first stage of the Transforming Bunbury's Waterfront project culminating in the re-opening of the Dolphin Discovery Centre, which has created a fresh new tourist experience for the city. We also had reason to celebrate the opening of the Margaret River Perimeter Road and the securing of \$3 million towards upgrading the Halifax Business Park in Bunbury.

Importantly, we continued to support the community at a local level. This included the delivery and governance of grants, which saw us provide support to many valued programs and initiatives across the South West. We ran a local content program for the second consecutive year to maximise local job and tender opportunities in the region. Our long-running TradeStart program continued to assist businesses to succeed in the international marketplace, particularly in Asia.

Together with the team at the City of Busselton and other stakeholders, we have been working to deliver on the potential of the Busselton Margaret River Airport project. It is hoped that flights between Busselton and the Eastern States will commence early in 2020 which

will unleash opportunities in the tourism sector, delivering new investment and economic growth. For the first time, passengers will be able to fly interstate directly into the South West, maybe stay at the new Hilton Hotel in Busselton and enjoy one of Australia's best premium lifestyle regions. Hopefully, they'll take the time to visit the redeveloped Dolphin Discovery Centre in Bunbury, the upgraded Cape Naturaliste Lighthouse and all the other wonderful attractions throughout the South West region.

A number of initiatives are further increasing the lifestyle appeal of our wonderful South West towns and cities. In the not-to-distant future, people will be able to cycle along the new mountain bike trails in Collie, visit the new Collie Roundhouse, catch a show at the new Margaret River HEART and check out the new food and beverage street in Manjimup.

The public sector continues to undergo reform and I am proud of the way our Commission staff have just got on with the job. Restructuring of the Commission to become more integrated with the Department of Primary Industries and Regional Development (DPIRD) has taken place throughout the year. We are now working as part of a bigger team and an example of this saw us launch the Regional Trade Network across the South West, Great Southern and Goldfields-Esperance regions for the purpose of providing local businesses with support to successfully participate in the international marketplace.

We have a good team in place who are passionate about the South West and are working hard to achieve results

for the region. Despite the challenges, I am optimistic for the future and I am confident the Commission will continue to deliver meaningful results for the region.

I would like to thank outgoing acting chief executive officer Rebecca Ball for her dedication and hard work, our staff, my fellow board members and Regional Development Minister Alannah MacTiernan and her staff.

Finally, I would like to acknowledge the many stakeholders we partner with in the business of region-building and our endless challenge of providing opportunities and securing prosperity for all who live in the South West.



Our chair Nick Belyea highlighted economic development opportunities at CEDA WA's South West Regional Economic Update that was held in Bunbury on November 2 2018.



**Transforming Bunbury's Waterfront** reached a major milestone this year when the first of three stages was completed. The launch of the Wardandi Boodja sculpture and opening of the redeveloped Dolphin Discovery Centre has served to further activate the precinct.





# REPORT CARD

Each year, our performance is gauged through a client satisfaction survey. See how our key stakeholders rate our service delivery for 2018/19.



Overall level of satisfaction with the **quality of service**

89%

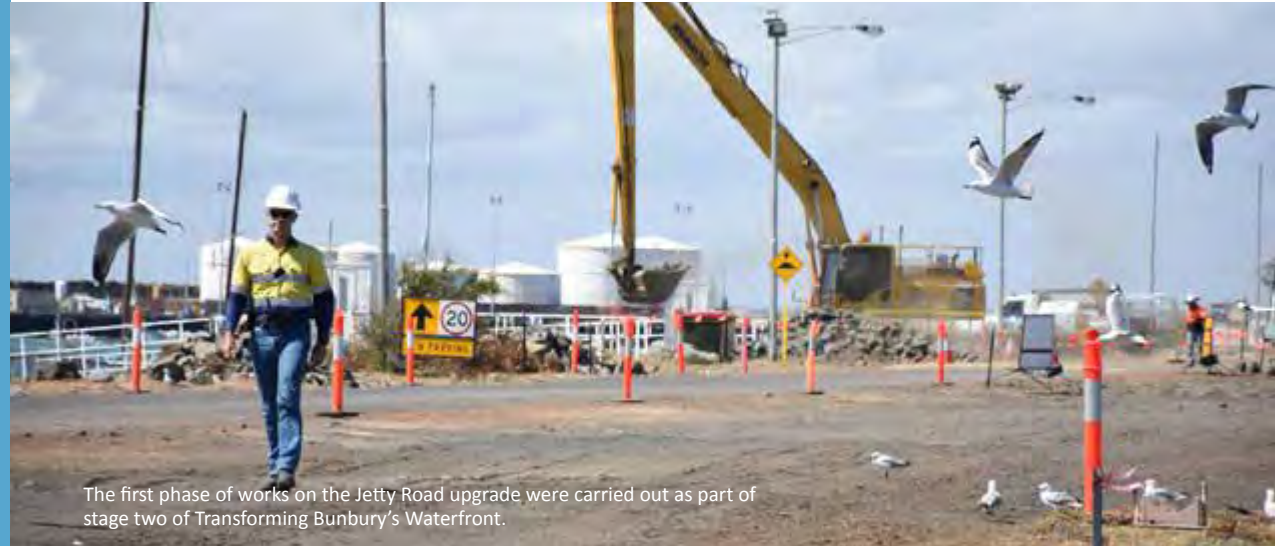
● 2018/19 ● 2017/18



Overall level of satisfaction with the **performance**

86%

● 2018/19 ● 2017/18



The first phase of works on the Jetty Road upgrade were carried out as part of stage two of Transforming Bunbury's Waterfront.

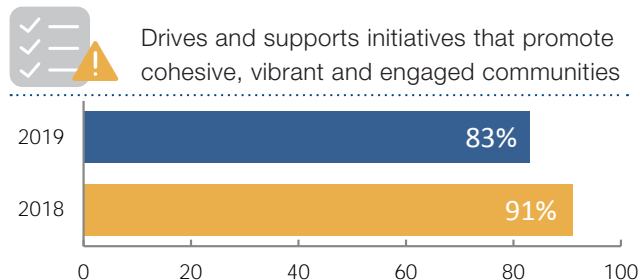
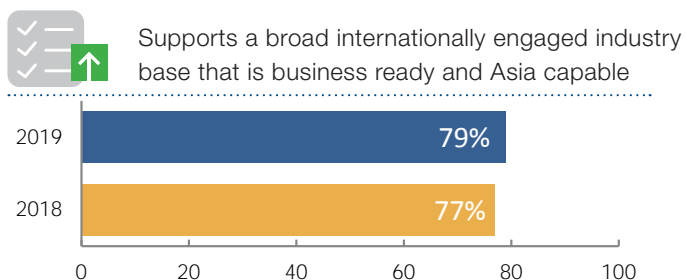
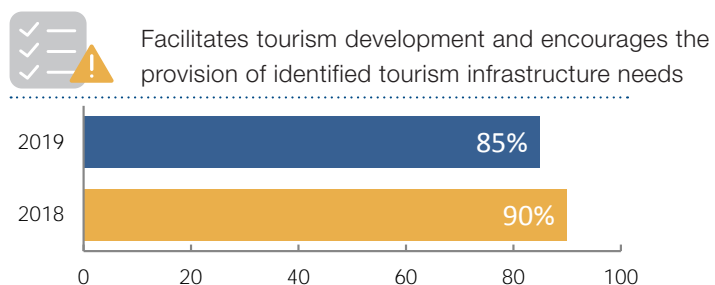
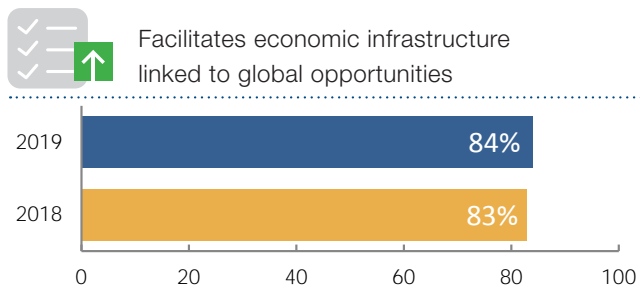
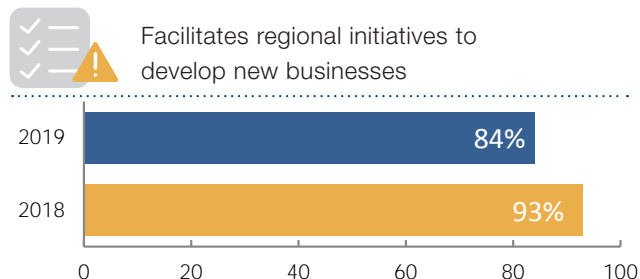
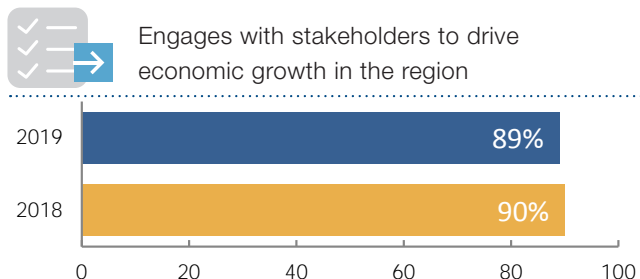
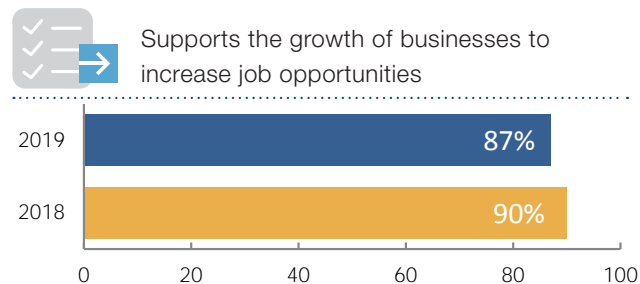
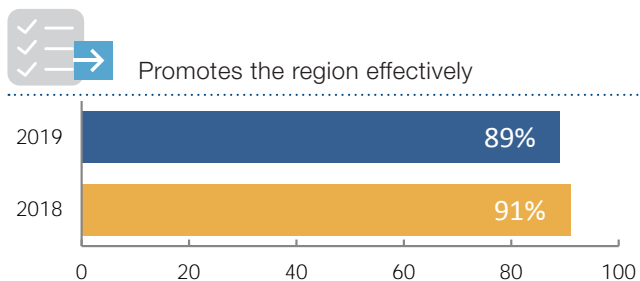
## How we performed

The graphs shown here indicate how our key clients rated our performance this year. Each year, we ask stakeholders – local governments and key clients – to complete a questionnaire. Information obtained through the survey provides a valuable method for collecting feedback from clients. We use this feedback to measure our effectiveness against our legislative mandate and see how our performance stacks up in comparison to the previous year's results.

In May 2019 we once again engaged independent consultancy firm Advantage Communications – Research to undertake our client satisfaction survey for 2018/19. A total of 179 surveys were completed from 324 stakeholder clients supplied to Advantage. Of the 179 surveys, 119 were completed online with the remaining 60 surveys completed over the phone.

Respondents rated their overall level of satisfaction with the quality of service at 89 per cent, and the overall level of satisfaction with performance at 86 per cent.

# PERFORMANCE RESULTS



Josh Whiteland performs at Showcase Busselton Foreshore.



# HIGHLIGHTS

## \$20m

**Collie Futures Fund** is available to support industry diversification and job creation in Collie



Construction on stage two of **Transforming Bunbury's Waterfront** begins



A **Regional Trade Network** is announced for the South West, Great Southern and Goldfields-Esperance



A decade of redevelopment on the **Busselton Foreshore** is celebrated

Two movies are filmed in the region – **GO!** and **The Naked Wanderer**



## \$396m

**Myalup-Wellington** project announced





# 2500+ people

attend Taste of WA: South West  
event in Perth





→  
The final stage of the **Margaret River Perimeter Road** opens to traffic



'Australia's South West for Asian markets' report is launched



Construction underway on **Manjimup's Brockman Street food and beverage precinct**



**\$3m**

announced towards improving Bunbury's **Halifax Business Park**



Stage two of the **Margaret River HEART** project nears completion

TICKET

TICKET

The upgraded **Cape Naturaliste Lighthouse** is officially opened



# GRANT PROGRAMS

**\$703,767**

Towards 13 South West initiatives through round one of the **Regional Economic Development Grants**



**\$678,000**

Towards eight initiatives in the first tranche of the **Collie Futures Small Grants Program**



**\$220,000**

Towards three initiatives in the second tranche of the **Collie Futures Small Grants Program**

**\$998,532**

Towards upgrading and conserving the Collie Roundhouse through the **Collie Futures Industry Development Fund**



# PROJECT AWARDS



before



## URBAN DESIGN AWARD

Western Australian Architecture Awards  
for the Koombana Bay pedestrian bridge,  
part of Transforming Bunbury's Waterfront

Infrastructure Development – Regional Airport,  
Australian Airports Association Innovation  
and Excellence Awards for the **Busselton**  
**Margaret River Airport**, airside and landside  
civil infrastructure works



# LOCAL CONTENT

Regional Development Minister Alannah MacTiernan chats to Perkins Builders apprentice Tristan Ugle during a sneak preview of the new Dolphin Discovery Centre.



## IN FOCUS – Dolphin Discovery Centre Redevelopment



Architect – MCG Architects (Bunbury)



Lead contractor – Perkins Builders (Bunbury)

**46**

local subcontractors

**8**

apprentices

**204**

local workers



Margaret River Perimeter Road Final Stage – **35**

**South West subcontractors**



Cape Leeuwin Naturaliste Lighthouse Precinct Upgrade –

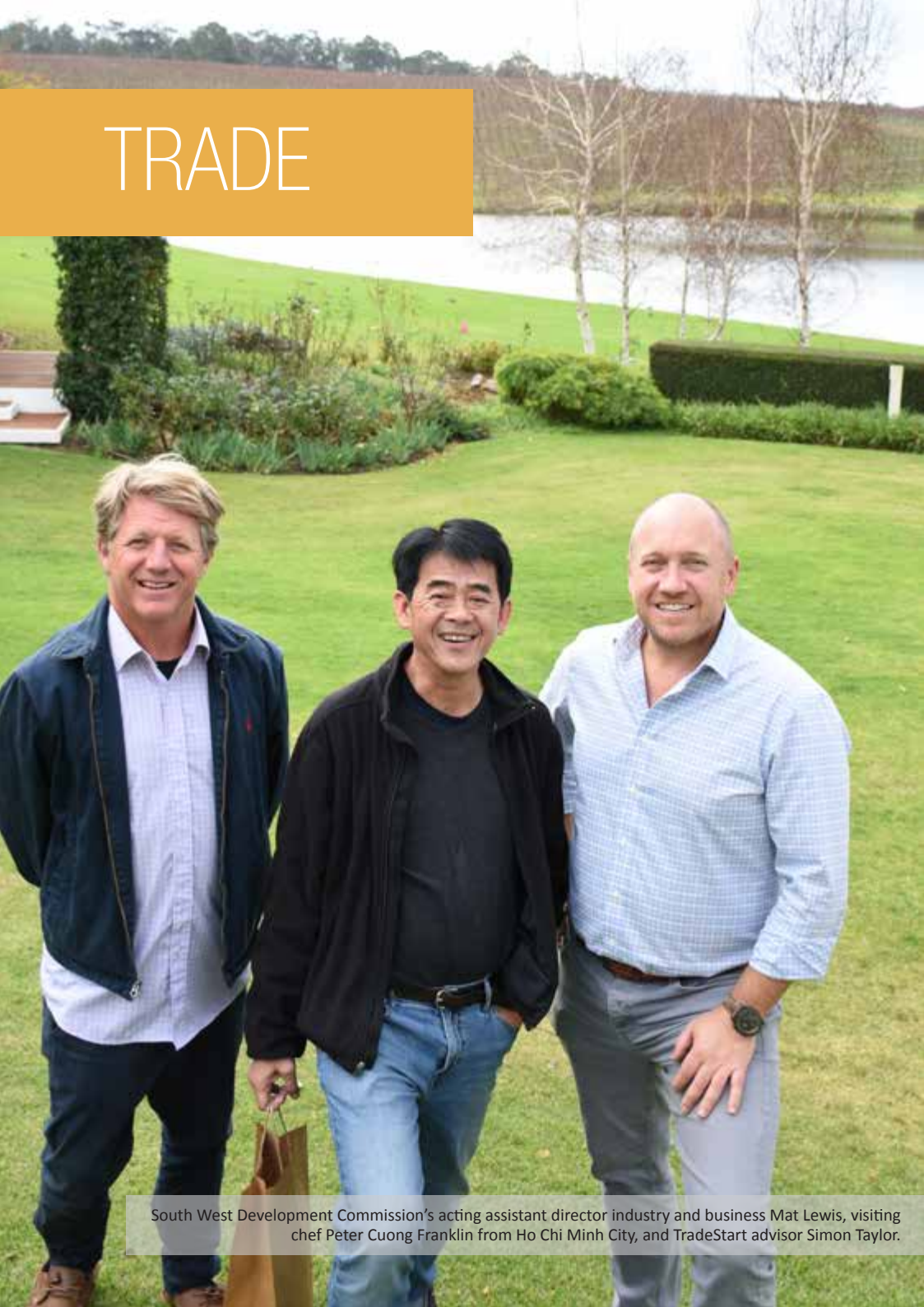
**30+ local businesses**



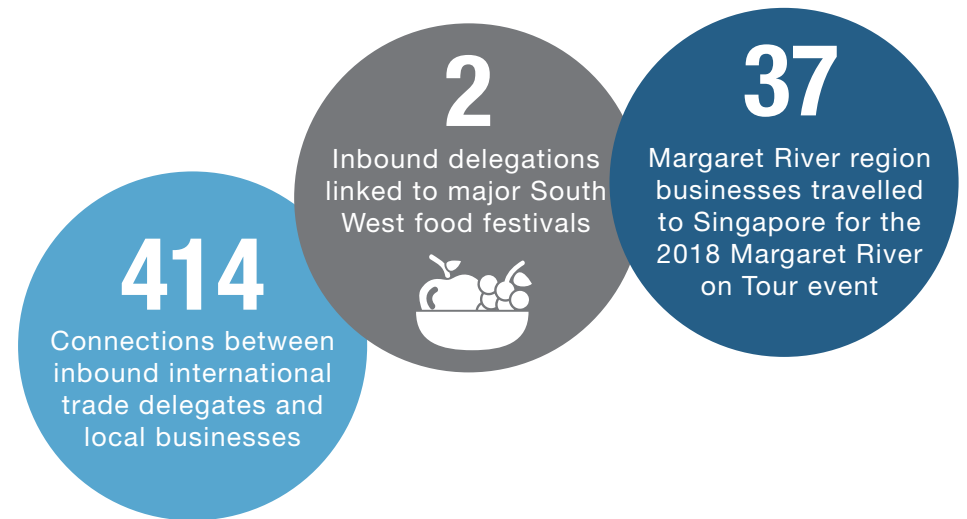
Southern Network Contract – **60 South West businesses**



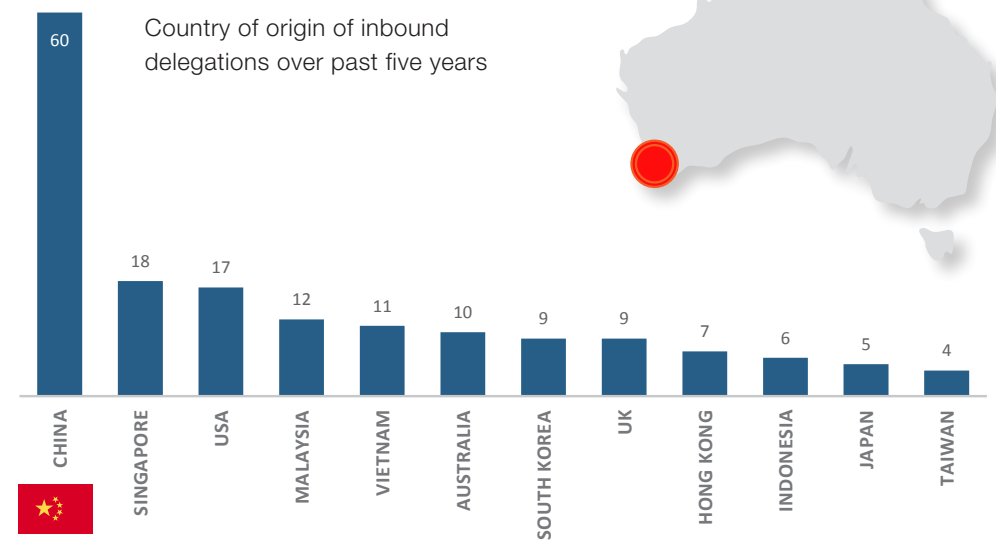
# TRADE



South West Development Commission's acting assistant director industry and business Mat Lewis, visiting chef Peter Cuong Franklin from Ho Chi Minh City, and TradeStart advisor Simon Taylor.



## INBOUND DELEGATES



# STATE OF THE REGION

Population  
**178,406**

Most  
visited  
WA region

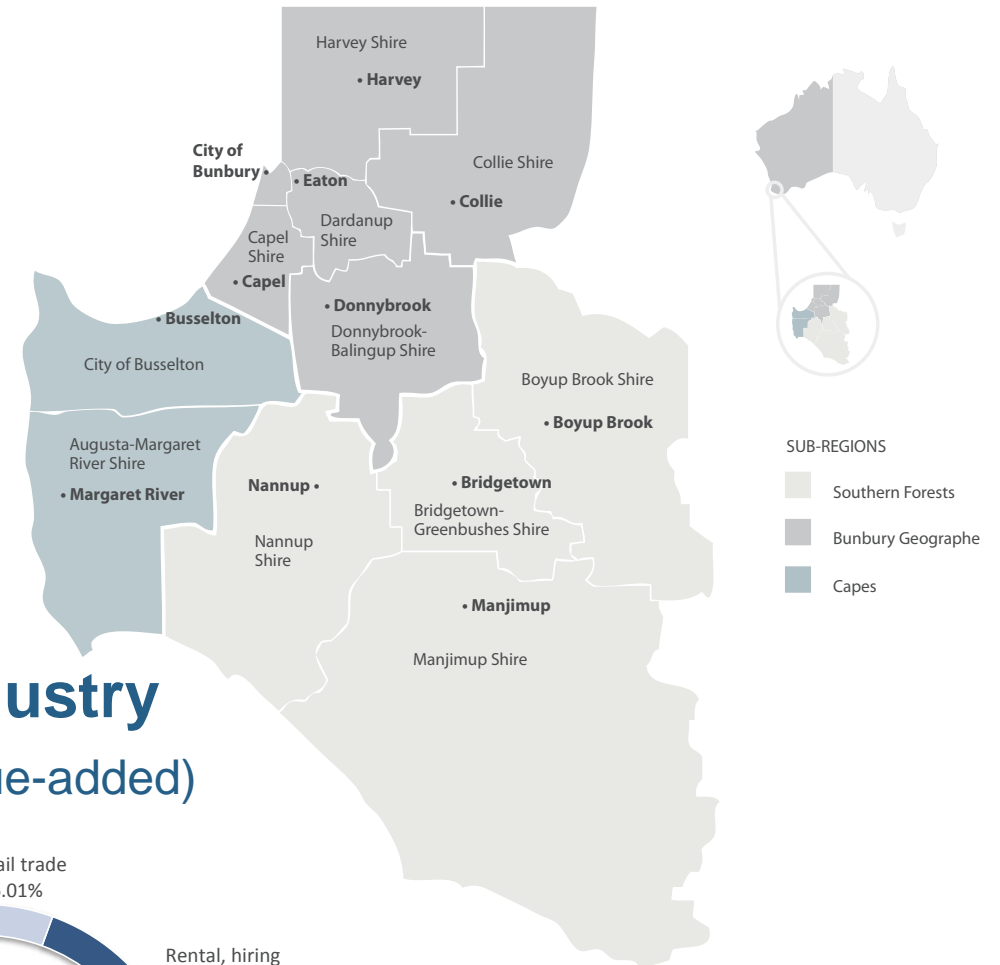
Gross regional product  
**\$13.5 billion**

Local Government  
Areas **12**

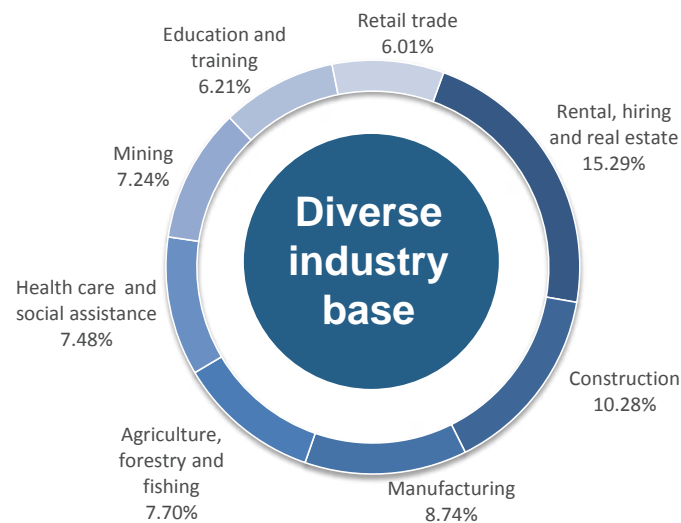
**3**  
Sub-regions

## Significant social + economic trends

- Changes in the energy sector mean the coal mining and power generation town of Collie needs to transition its economy
- The South West is in the box seat for lithium
- Another expansion announced for world's highest grade hard rock lithium resource at Greenbushes



## Biggest industry sectors (value-added)





Works underway on what will become Australia's  
largest lithium hydroxide plant at Kemerton



# ABOUT US

WE WORK  
TO BUILD A  
REGION OF  
FIRST CHOICE.

## Who we are

We're part of the WA Government – and we're working for the State's South West.

We aim to make the South West region an even better place to live, work and invest.

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

Developing the region's economy and improving quality of life are key areas of focus.

## Where we work

The South West region covers 23,970 square kilometres – and we work across all of it.

To ensure our staff members are able work across the region with ease, we have offices in Bunbury, Collie and Manjimup. Hot-desking areas within local governments allow us to extend our reach.

Staff travel widely throughout the region, and regional coordinators have specific responsibility for each of the three sub-regions – Bunbury Geopraphe, the Capes, and Southern Forests.

## Government Goals

Our work is guided by our four key strategic priority areas:



These strategic priorities align with four State Government priorities that sit under the umbrella of Sharing Prosperity.



\* Transforming Bunbury's Waterfront



# BOARD

Our board is the governing body responsible to the Regional Development Minister for setting the direction and priorities of the Commission. It meets regularly to discuss matters relating to the Commission and make decisions about projects, priorities and expenditure.

Members are selected from community and local government nominations, as well as Ministerial appointments. By virtue of the office, the Commission's chief executive officer also serves on the board, but does not have voting rights.

All board members bring skills, knowledge and experience that benefit the Commission and the region. Like staff, board members are expected to declare conflicts of interests and adhere to a code of conduct.



Pat Scallan, Jackie Jarvis, Rebecca Ball, Nick Belyea, Jennie Franceschi, Tony Dean and Julie Hillier.

## Primary activities

- Set the overall strategic direction and goals of the Commission
- Provide guidance on specific projects and initiatives
- Formulate Commission policy
- Review progress at regular intervals to ensure established goals are being achieved
- Monitor Commission expenditure
- Promote economic development
- Represent the Commission at relevant meetings and functions
- Advocate for the region

## Changes to the board

The composition of the board changed in 2018/19 as we bid farewell to some familiar faces and welcomed new members. Jackie Jarvis and Pat Scallan were new appointments. They filled the seats left vacant by Ed Valom, who retired in August 2018, and Gary Brennan, who retired in June 2018.

## Board subcommittees

There were no subcommittees of the board in 2018/19.

## Board as of June 30 2018

### **Nick Belyea, Chairperson**

#### **Ministerial representative, July 2017 – June 2020**

Nick Belyea has extensive high-level experience in aviation, tourism and transport, in both the public and private sectors. He spent nine years as CEO of Broome International Airport and worked at the Department of Transport for 10 years overseeing aviation, rail, port and freight policy. He has a house in Augusta and splits his time between Perth and Augusta, increasingly spending more time in the South West.

### **Jennie Franceschi, Deputy Chairperson**

#### **Ministerial representative, July 2017 – June 2020**

Jennie Franceschi is passionate about regional development and supporting Australian farmers. The Manjimup resident is an experienced exporter, and is currently the managing director of Australian Brand Exports. In 2017, Jennie was named Telstra Western Australian Business Woman, also taking out the Corporate and Private Award.

### **Tony Dean, Board Member**

#### **Local Government representative, May 2018 – May 2021**

Tony Dean brings a wealth of experience in community leadership and a whole of South West perspective to the board. He is currently the president of the Shire of Nanup, was previously the Member for Bunbury, and spent seven years as a Bunbury City councillor. He is president of the South West Local Government Association, president of the Warren Blackwood Alliance of Councils, and a state councillor for the Western Australian Local Government Association.

### **Julie Hillier, Board Member**

#### **Community representative, April 2018 – April 2021**

Collie businesswoman and community advocate Julie Hillier brings with her more than 20 years of experience in human resource management and organisational development. In addition to having worked in corporate roles, Julie has also worked at a senior level in the oil and gas industry in the UK, Norway, France, Singapore and Australia. Julie is involved in a number of community initiatives.

### **Pat Scallan OAM**

#### **Community Member, November 2018 – October 2019**

Pat is General Manager Projects – Talison Lithium Pty Ltd Greenbushes Operations. He has held a number of senior operational positions in the mineral sands industry at both Eneabba and Capel prior and has worked at gold mining operations at Western Deep Levels in South Africa. Mr Scallan has been the chairman and deputy chairman of the South West Regional Council of the Chamber of Minerals and Energy for more than 15 years. He is very involved in the local community and amongst other interests has been a councillor on the Bridgetown-Greenbushes Shire for over 18 years.

### **Jackie Jarvis**

#### **Community Member, November 2018 – October 2021**

Jackie Jarvis is an agribusiness professional with more than 20 years' experience in the finance sector, agricultural policy and workforce development. Jackie has worked with the Chamber of Commerce and Industry WA, the former Department of Agriculture and Food, and in the not-for-profit sector. She is CEO of the Rural, Regional Remote Women's Network of WA, and is a commissioner with the Forest Products Commission.

## Members who retired in 2018/19

### **Ed Valom, Board Member**

#### **Community representative, April 2015 – June 2018 (term extended to August 2018)**

Ed Valom owns and operates a farming property in Manjimup. He has a background in the timber industry that includes a stint managing the woodchip export terminal in Albany. He has previously served as a councillor and deputy president on the Manjimup Shire, and counts among his accomplishments the development of the Manjimup Timber Park. Ed is deputy chair of the Forest Products Commission, and has a strong interest in the community.

## Attendance

There were a total of five board meetings during the year in review, one of which was a regional meeting held in Greenbushes at the Talison Lithium mine site. The following indicates the rate of attendance of each board member in accordance to the number of meetings they were eligible to attend based on how long they served the board in the reporting period.

- Nick Belyea – 4/5
- Jennie Franceschi – 5/5
- Julie Hillier – 4/5
- Tony Dean – 4/5
- Jackie Jarvis – 3/4
- Pat Scallan – 4/4
- Ed Valom – 1/1



# OUR EXECUTIVE

Our executive team provides the leadership necessary for the Commission to deliver strategic outcomes for the region. Each member heads up a section of our organisation, with the team meeting regularly for the purpose of strategic planning, coordinating decision-making, and formulating advice to the board.

Acting chief executive officer Rebecca Ball will take up a new role within State Government next financial year, which will mean a change in leadership next reporting period.

## Executive as of June 30 2019

### Rebecca Ball

#### Acting Chief Executive Officer

**Master of Business (Tourism), BA Hons (Political Science)**

Rebecca Ball joined the South West Development Commission in August 2017, bringing to the role 20 years experience in senior advisory and management roles in both public and private sectors in Australia and overseas. Prior to the SWDC, Rebecca was the executive director at the Office of Multicultural Interests. Her previous roles have included State Director WA with Austrade Perth, Trade and Investment Commissioner Indonesia with Austrade Jakarta, and Trade Commissioner South Asia with Austrade New Delhi.



Ashley Clements, Rebecca Ball, Mat Lewis and Cate Brooks.

### Ashley Clements

#### Assistant Director – Infrastructure

**Bachelor of Arts (Hons), Post Graduate Certificate in Business (Management)**

Ashley Clements has more than 20 years' of experience in regional development at State, Federal, local government and the not-for-profit sector level. Through his role at the Commission, Ashley plays an important role in the strategic delivery of infrastructure for the region. He oversees the Transforming Bunbury's Waterfront project, which delivered the new Koombana Foreshore and Dolphin Discovery Centre. He is involved in many other critical infrastructure projects in the South West.

### Cate Brooks

#### Acting Assistant Director – People and Place

**Master of Arts (Hons) French and Hispanic Studies**

Cate Brooks oversees the Collie Futures program from the South West, as well as the various grant programs run via the Commission. Cate brings to her role a background in strategy and policy development, project management,

evaluation and analysis. Before joining the Commission, Cate worked in the UK private sector prior to emigrating to Australia in 2009, when she joined the former Department of Regional Development in a senior project officer position working in Royalties for Regions project management and evaluation.

### Mat Lewis

#### Acting Assistant Director – Industry and Business, TradeStart Manager

**Bachelor of Business (Marketing/Tourism), Post Graduate in Multi Media Design, Graduate Small Business Management**

Mat Lewis focuses on the development of the creative sectors within the South West, having got the Creative Corner and Emergence Creative Festival up-and-running. He also works to support innovation as well as facilitate investment into the region. Prior to his current role, Mat was the TradeStart representative in the South West focusing on export market development. Before joining the Commission, Mat ran his own marketing business.

# OUR OFFICE, OUR PEOPLE

Working at the Commission is more than just a job. It's an opportunity to be involved in the development of our wonderful region. Our team care passionately about the region they serve, and come to work every day with the aim of improving the region for current and future residents.

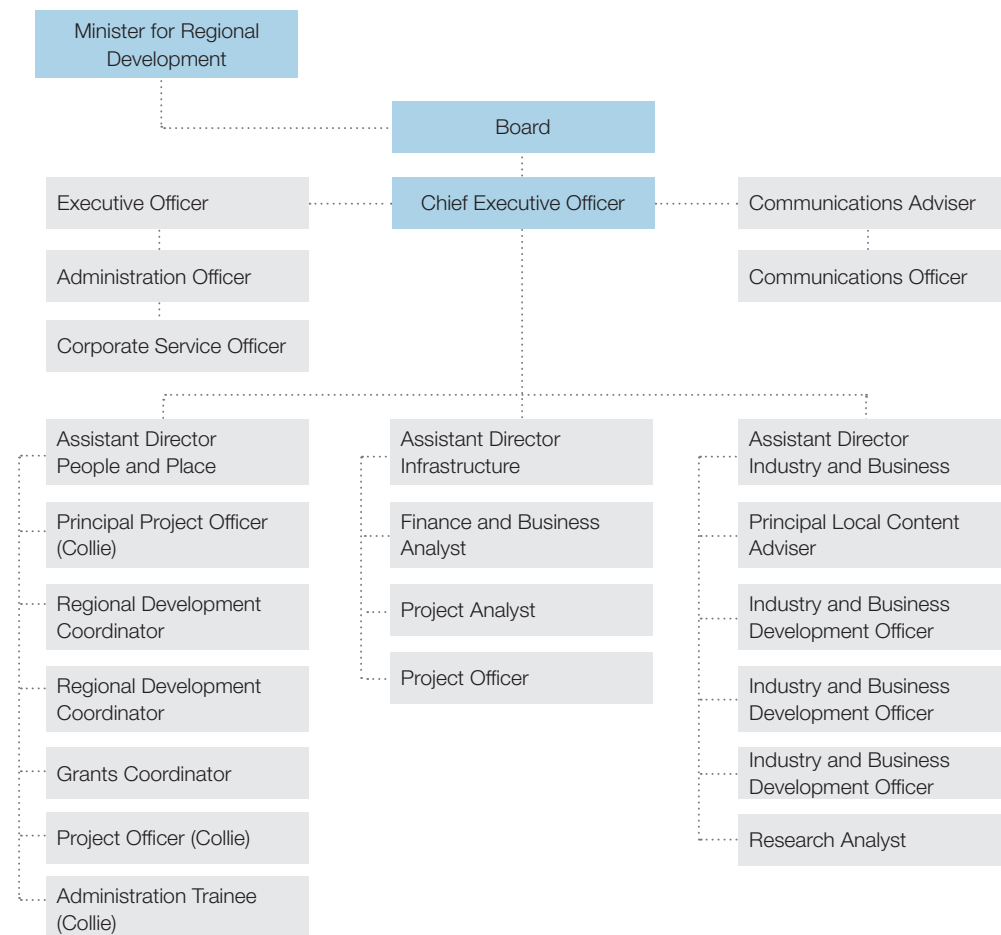
## Workplace summary

At the core of the Commission is a dedicated, capable and passionate team. Our people are considered the backbone of our organisation. And that's because no matter what their role is, they play a crucial role in assisting with the delivery of our strategic priorities for the purpose of delivering outcomes that positively impact on the South West region. Our people are fuelled by their passion for the South West. They are the people on the ground, brokering partnerships, leveraging networks and being the catalysts for change – all for the good of the region.

A typical day's work for staff may comprise – but isn't limited to – project development, interagency facilitation, export assistance, business development, grant coordination, advocacy, research activities and information provision.

Importantly, our team reflects the community we serve, with staff members choosing to reside throughout the South West. Bunbury, Busselton, Bridgetown, Collie, Eaton and Margaret River are among the places our team members call home.

## Our organisation





## Our commitment to you

### We are leaders

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

### We are professional

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

### We embrace sustainable practice

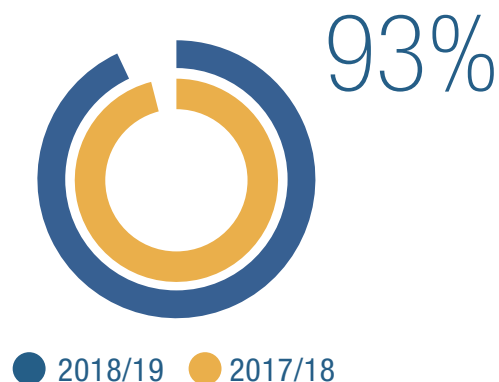
We take a well-planned, considered approach to our projects to ensure the qualities and opportunities of the region are enhanced for both present and future generations.

### We display excellent service

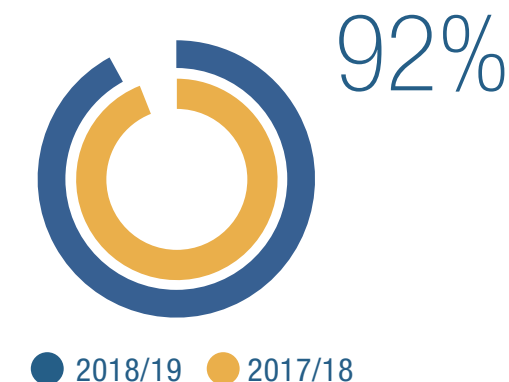
We aim to be global leaders in regional development, with valued and skilled personnel and a responsive attitude to people.



## Our clients rated us as **professional**



## Our clients rated us as **accessible**



## 20 years of service

“I enjoy coming to work as I get a great sense of satisfaction working on exciting projects in the South West region. For example, Transforming Bunbury’s Waterfront incorporating the redevelopment of the Dolphin Discovery Centre, mobile towers and Halifax Business Park upgrade. As I am a resident of this region, I am very passionate about economic development and want the best outcomes. My job allows me to work closely with the community, businesses, local government and government agencies to achieve amazing things for the South West.”

– Gayle Gray, Finance and Business Analyst

## Significant issues affecting the agency

A major restructure of the public service was announced on March 28 2017. As a result of the Machinery of Government changes, the Department of Regional Development and Primary Industries was formed on July 1 2018. The State's nine regional development commissions now sit under the overarching umbrella of this new department as separate entities.

Though the Commission remains a statutory authority focused on the social and economic advancement of the region, it is now part of a bigger department. Though our team continue to execute the strategic priorities of the Commission, staff members are technically employees of the recently-created Department of Primary Industries and Regional Development. Only the chief executive officer is employed directly by the Commission.

This year, members of our team became more integrated within the Department. New reporting lines and operational structures have been developed for areas such as communications and stakeholder engagement. A new operational structure for SWDC overall will be revealed next financial year as part of wider planning carried out by the Department.

## Structural capacity

Our team of about 20 has continued to serve the South West through a period of unprecedented organisational change. Our regionally-based staff members occupy a variety of positions, ranging from grants coordinator to business and industry development officer. This year our team welcomed a Collie-based trainee.



## Awards and achievements

The State's Regional Development Commissions, including SWDC, were recognised in the top 20 best practice small entities for financial reporting in a [report released by the Auditor General](#). The performance of the Commissions were officially acknowledged in the 2017-2018 Audit Results report tabled in Parliament. Assessment criteria included a clear audit opinion, high quality financial and key performance indicator reporting, timely submission to the Office of the Auditor General (OAG), and maintenance of good financial controls. We are pleased to once again keep the bar high for financial management, controls and compliance.

## Professional development

We invest in our most valuable asset – our people. As a result, staff members are encouraged to take up

professional development opportunities. This allows them to stay up-to-date with industry trends and be well-equipped to contribute to creating a region of excellence. In 2017/18, SWDC spent \$2074 and DPIRD spent \$9416 on professional development of SWDC-based staff.

## Shared responsibilities with other agencies

The Commission's aim of delivering positive outcomes for the region requires working in partnership with numerous agencies. Key examples of where we have taken a collaborative approach include in the facilitation of the Bunbury Development Committee and the Collie Bunbury Economic Development Plan. In terms of the Bunbury Development Committee, we work with a committee comprising eight individual representatives from the community as well as representatives from state government departments and agencies. With the



Collie Bunbury Economic Development Plan, we work with a secretariat, reference group, advisory group and ministerial steering committee.

Adding to our ability to produce positive outcomes for the region is the fact that we are contracted by the Australian Trade Commission to deliver Austrade's TradeStart services. We have also launched a new Regional Trade Network, which will see us work collaboratively across the South West, Great Southern and Goldfields-Esperance regions to provide advice and assistance to local businesses.

We also deliver a local content program which includes the delivery of the WA Industry Participation Strategy. The delivery of the WA Industry Participation Strategy is being carried out as a joint initiative between the Department of Jobs, Tourism, Science and Innovation and Department of Primary Industries and Regional Development under an MOU.

We have continued to have a Memorandum of Understanding with Australia's South West and the Great Southern Development Commission in the interests of supporting tourism collaboration across the South West and Great Southern regions. On behalf of the State Government, we have continued to administer the Royalties for Regions and Local Projects, Local Jobs grants programs in the South West.

We continued to lead the way in co-working arrangements between the State Government and not-for-profit sector

by offering a base for the Western Australian Indigenous Tourism Operators Council to work from.

## Supporting our community

We are firmly part of the local community and as such our employees happily volunteered to support local charities and fundraising efforts. During the year in review staff members organised a morning tea to support cancer research. This was held in memory of a late colleague, and in support of a colleague currently battling cancer.

In what has become a Christmas tradition among staff members at the Commission, employees again donated a basket filled with non-perishable items to Foodbank. Items were used in Christmas hampers which were presented to local people in need, helping to brighten the festive season for many.

In our commitment to the community, we also encourage and support our employees to participate in community volunteering on a personal level. Employees are able to volunteer and be part of community events by utilising the Commission's flexible working arrangements.

## Communications

To keep all staff informed and engaged in the Commission's activities and to let the community know about opportunities that may be of interest to them, we utilise a number of communications channels.



Consultations for Transforming Bunbury's Waterfront are carried out.

Our daily in-house media monitoring service served to keep staff up to date about projects and issues in the region, while our intranet once again proved an important resource that enabled staff to easily download forms and policies.

We communicated about projects, events and funding opportunities to the public in a diverse range of ways, including through media releases, e-newsletters and a suite of social media pages. We published a regular Major Projects publication to inform the community about large-scale developments in the region, and released a Progress Indicators report, a statistical document offering insight into the state of the region.

# FUNDING PROGRAMS

## grants + sponsorships

Ideas from the community become reality with help from our grants. In 2018/19, initiatives we supported got off the ground, took shape and made a difference. We look forward to more of these projects coming to life next financial year.

### Our role

The Commission plays an important role in the allocation, distribution and governance of public funds. We also provide general support for projects that we provide funding towards.

In 2018/19, we once again helped to strengthen the region by backing projects through the:

- Regional Economic Development Grants; and
- Collie Futures Fund

New grants that were distributed through non-contestable means along with sponsorships are catalogued in this section. Here you will also find the State Government's Local Projects, Local Jobs program grants that we administered this financial year.



SWDC grants coordinator Amanda Taylor and acting assistant director people and place Cate Brooks.



**Regional Development  
Minister Alannah  
MacTiernan announces  
RED Grants recipients  
in Busselton.**



**Bunbury MLA Don Punch  
congratulates RED Grants  
recipients in Bunbury.**



## Regional Economic Development Grants – Round One

The State Government's Regional Economic Development Grants invests in projects that stimulate economic growth and development in regional Western Australia.

Through the program, up to \$250,000 was made available for individual projects that promote sustainable jobs, partnerships, productivity, skills and capability, as well as stimulate new investment and industry diversification.

Registered businesses, not-for-profit organisations, training institutions, industry associations and local governments were eligible to apply.

A total of \$703,767 was allocated to 13 South West projects in 2018/19.

Recipient	Project	Grant (GST exc.)
Australia's South West	Great South West Edge Touring Route	\$40,000
Arts Margaret River	Margaret River Readers and Writers Festival	\$14,000
Bunbury Dolphin Discovery	Dolphin Centre Leveraged Marketing	\$44,000
Busselton Jetty	Underwater Observatory Interpretation Upgrade	\$75,000
City of Bunbury	Connecting Bunbury Geographe	\$76,510
Festival of Busselton	Festival of Busselton 2019	\$5,095
Geographe French Australian Festivals	CinefestOZ Film Festival – enhancement and growth	\$35,000
Jazz by the Bay Association	Jazz by the Bay Festival – arts business development consultant	\$26,392
Maker and Co Collective	Maker Program 2019	\$40,300
Margaret River Busselton Tourism Association	Ngilgi Cave Precinct Modernisation Project	\$100,000
Ocean Grown Abalone	Augusta Boat Harbour Seafood Processing Facility	\$85,000
Southern Forests Honey	The Colony Concept	\$150,000
The Nannup Music Club	Brockman Street venue development	\$12,470

# How our funding made a difference

## OCEAN GROWN ABALONE

Purpose-built facility – Building additional processing capacity



Ocean Grown Abalone divers began making use of the new facility at the Augusta Boat Harbour.

With a contribution from a Regional Economic Development Grant of \$85,000 from the State Government, Ocean Grown Abalone has established a purpose-built processing facility in Augusta that will help it meet increasing global demand for its greenlip abalone delicacy.

This new facility, which reached practical completion ahead of schedule in May 2019, will allow the abalone ranching business to handle greater amounts of locally-harvested greenlip abalone.

Divers have had to restrict harvest volumes due to bottlenecks that existed in its old processing facility, but when the new facility comes on line in late 2019 increased processing capacity will unlock growth opportunities for OGA.

Designed to handle 400 tonnes of fresh abalone per annum, OGA will be able to improve production processes and increase value-added lines for retail and food services in both Australia and export markets.

Built to export standards, the facility will include two closed-circuit seawater holding tanks, a holding freezer and chiller room. It will now be able to export to new international markets.

It is expected that additional full-time employment opportunities will be created on the processing side of the operation, with skilled labour required to service equipment and maintain the building.

The construction of the building itself was led by South West firm Big Ben Builders, which provided further opportunities for local businesses.



**The Collie Futures Fund is about unlocking new opportunities for Collie, including the potential of the Collie Roundhouse.**



**With assistance through the Collie Futures Fund, a feasibility study will be carried out into managing the popular Black Diamond lake.**



## Collie Futures Fund

Through the Collie Futures Fund, the State Government is making available \$20 million over five years to drive economic diversification and create jobs in the Collie region.

Funding is distributed through two programs:

- \$18 million Collie Futures Industry Development Fund; and
- \$2 million Collie Futures Small Grants Program

Recipient	Project	Grant (GST exc.)
<b>Collie Futures Small Grants Program recipients – Tranche 1</b>		
DC Two	Modular Behind the Grid Technology Data Centre	\$200,000
Collie Cycle Club	Collie to Donnybrook and Return Cycling Classic	\$8,000
Collie Synfuels	Fuel Cell Vehicle H2 Infrastructure and Distribution Study	\$50,000
Collie Synfuels	Liquid H2 Export Option – Feasibility Study	\$50,000
Global Marketing Technologies	Collie Hay Pressing Plant Feasibility Study and Business Plan	\$80,000
Keip Filtration	Hydration Hub	\$100,000
Planwest (WA)	Collie Distillery Project	\$90,000
The Mellegers Family Trust	Trails Centre	\$100,000
<b>Collie Futures Small Grants Program recipients – Tranche 2</b>		
Collie River Valley Marketing	Black Diamond Tourism Feasibility	\$70,000
Dam Fish	CRV Demonstration Marron Farm	\$75,000
Leschenault Catchment Council	Danju-Jobs Together	\$75,000
<b>Collie Futures Industry Development Fund</b>		
National Trust of WA	Conserving the historic Collie Roundhouse	\$998,532

# IN FOCUS

## Taste of WA: South West

More than 2500 people got a taste of the South West without having to leave Perth when the Taste of WA: South West event was held at Yagan Square.

On Sunday December 2 2018, WA Food Ambassador Don Hancey joined South West chefs for the showcase event in the heart of the State's capital.

The culinary talents cooked up samples which included servings of dried Bravo apple slices, fresh stone fruit, and Southern Forests cherries.

Regional produce displays along with Tourism WA stalls highlighting South West food and wine trails were also incorporated into the event, providing supplementary tastings from participating local businesses. Yagan Square restaurant and vendor The Show Bar supported the event by offering special South West menu items.

The Manjimup Cherry Harmony Festival taking place a week after Taste of WA: South West was promoted.

This was a great opportunity to partner with Buy West Eat Best to raise the profile of the region's produce, encourage culinary tourism, and champion buying local when possible.



## Cooking up interest in the State's South West

Raising the region's profile as a culinary tourism destination  
**@ Buy West Eat Best**



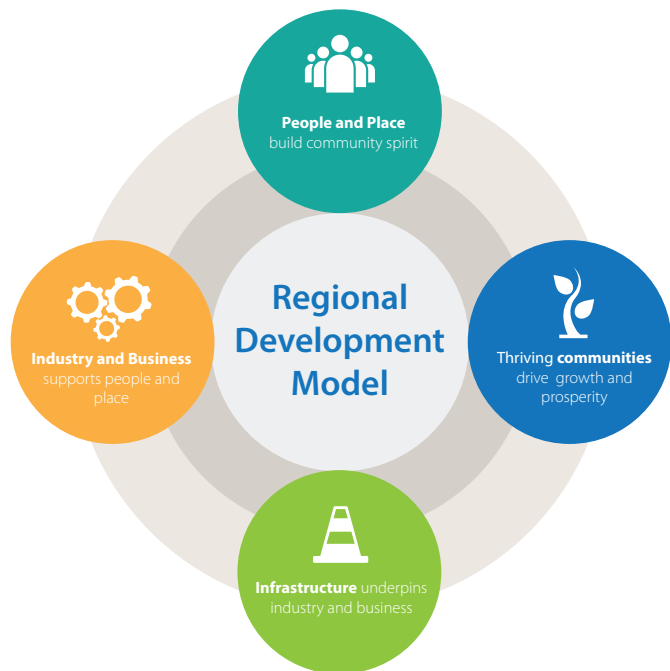


Recipient	Project	Grant (GST exc.)
<b>Other</b>		
Business South West	Regional Innovation Mapping – South West	\$5,000
Dolphin Discovery Centre	Assistance	\$180,000
CinefestOZ	Industry Program	\$10,000
City of Bunbury	Bunbury Wellington and Boyup Brook Regional Tourism Strategy – Stage 3	\$20,000
WA Indigenous Tourism Operators Council	2018 Australian Indigenous Tourism Conference	\$3,000
Margaret River Busselton Tourism Association	2019 International Wine Tourism	\$25,000
Warren Blackwood Alliance of Councils	Governance Framework	\$15,000
Western Dairy	Dairy Monitoring Project – continued	\$10,000
<b>Sponsorships</b>		
Buy West Eat Best	Taste of WA South West	\$2,000
Business South West	2019 South West Business Excellence Awards – Innovation Award	\$5,000
Dolphin Discovery Centre	Dolphin City Festival and Australian Tourism Exchange Conference	\$5,000
<b>Scholarship</b>		
Outback Academy	Delaware North Commonwealth Games Indigenous Employment	\$2,000
<b>Local Projects, Local Jobs</b>		
Boyanup Foundation	South West Rail and Heritage Centre Facilities	\$20,000
Dardanup Primary School	Dardanup Primary School Parking	\$60,000



Organisers estimate the economic impact of the 2019 Jazz by the Bay Festival to be about \$5.8 million.

# Our Strategic Priorities



This section provides an overview of the key activities that have taken place in our strategic priority areas of Infrastructure, Industry and Business, People and Place, and Community.

Though each of these areas is given their own portfolios on paper, in reality they are all interlinked. Industry and Place are linked, Community and Business are linked, and so on. Everything is connected and no strategic area alone can achieve liveability for our cities and towns without the other. In order to support sustainable population growth, all strategic priorities must be treated with equal importance.

Each of our strategic priorities plays an instrumental role in delivering both a liveable region and also laying the foundations for future growth and prosperity.

The interpretive centre in the new Dolphin Discovery Centre has been a hit with locals and visitors alike.





# Infrastructure

We develop distance neutral infrastructure that is linked to world opportunities and respects our environment.



Artists Alex and Nicole Mickle with the five-and-a-half metre steel bust Wardandi Boodja sculpture, which was installed along Bunbury's Koombana Foreshore. The public artwork represents a Noongar face and seeks to merge traditional sculpture and advanced fabrication technology to create a striking contemporary artwork that pays deep respect to the Noongar people.

## Challenge

More people are predicted to call the region home in the future. Therefore, there is an urgent need to ensure that our infrastructure provides a safe and appealing environment for people to live in, a productive environment in which to conduct business, and an environment which stimulates new opportunities.

## Key outcomes

- Stage one of Transforming Bunbury's Waterfront is complete
- \$3 million is secured for improvements to Halifax Business Park
- The Margaret River Perimeter Road opens to traffic



The right environment is crucial for individuals, businesses, industry and communities to thrive. And that includes having infrastructure in place that provides a platform for growth, opens up opportunities, improves safety, and facilitates connections. Over the past year, we celebrated as large-scale infrastructure projects that have been years in the making finally became reality. And as good as it has been to see these projects reach completion, what's rewarding for us is seeing the benefits flow to local communities. That is why we do what we do – and why we will continue to advocate for strategic infrastructure projects in the region.





## TRANSFORMING BUNBURY'S WATERFRONT

### Turning underused areas of prime waterfront into thriving destinations

When the redeveloped Dolphin Discovery Centre quietly opened its doors over the Summer of 2018/19, The West Australian newspaper ran a [full-page article](#) about how Bunbury is changing for the better. Perceptions were changing – the South West city was no longer a place to bypass. It had become a destination in its own right. And that is what the Transforming Bunbury's Waterfront project had been designed to do: Turn underused areas into thriving destinations.

The official reopening of the upgraded and expanded Dolphin Discovery Centre in February 2019 marked the completion of stage one of the project. As a result of the works carried out throughout this stage, Bunbury



now has a thriving precinct that incorporates the dolphin centre, a greatly enhanced Koombana foreshore, and a new pedestrian bridge – all connected back to the city centre. Other features of the new-look foreshore include the Wardandi Boodja public artwork which was officially launched during the reporting year.

Since reopening, the new-look Dolphin Discovery Centre has been providing a fresh tourism experience in a landmark building that is putting Bunbury on the map. The redevelopment, which was funded with a \$12.3 million State Government contribution and a \$600,000 Lotterywest grant, is being enjoyed by both locals and visitors who have been making the most of the new facilities. Modern exhibits including 13 aquariums, as well as a café are among the new features which complement long-standing activities including a beach interaction zone, dolphin swim tour and eco cruise.



**Above:** Visitors to the new Dolphin Discovery Centre can enjoy close encounters with wild bottlenose dolphins including in the beach interaction zone, as well as during eco and swim tours.

**Left:** Bunbury MLA Don Punch, Dolphin Discovery Centre chief executive officer David Kerr and Regional Development Minister Alannah MacTiernan inside the new Dolphin Discovery Centre.

The completion of stage one wasn't the only milestone that occurred for the project in 2018/19. Stage two got underway when the first phase of the Jetty Road Causeway upgrade was carried out. This phase of the upgrade, which saw about 24,000 tonnes of rock placed in the water to improve the structure, was a significant first step towards addressing demand for local boating and infrastructure services. Planning and public consultation for enhancements along Casuarina Drive also took place.

The Transforming Bunbury's Waterfront project, which is overseen by the Bunbury Development Committee, will culminate in the development of a mixed-use area and marine industry hub at Casuarina Boat Harbour. A business case for this component of the project, along with environmental studies, are underway.

## MARGARET RIVER PERIMETER ROAD

Improving safety, enhancing an international tourism brand and industry opportunities

Margaret River is internationally-renowned as a tourist destination, but its main street has until recently also been a heavy haulage route. To get the majority of trucks off the main strip and create a safer and more pedestrian-friendly town centre, we worked with key stakeholders to resolve this issue through the construction of a perimeter road. We provided \$2.5 million towards the first stage of the perimeter road which opened to traffic in 2015, and worked with Main Roads WA and the Shire of Augusta-Margaret River on the business case to unlock public funds for the second stage.

The behind-the-scenes work paid off in February 2019, with the final stage of the Margaret River Perimeter Road



Meet one of the local contractors which helped deliver the Margaret River Perimeter Road – Cowara Contractors.

reaching practical completion, following the opening of the road to traffic in late 2018. The new road is improving safety and reducing conflict between light and heavy vehicles in around the town. Traffic data from January 2019 showed the perimeter road had a total of 1287 vehicles per day with 16 per cent heavy north of John Archibald Drive, and 1572 vehicles per day with 19 per cent heavy south of John Archibald Drive.

More than \$13.8 million in subcontracting work was provided to about 35 South West subcontractors.

Additional economic benefits were provided to fuel and accommodation service providers in Margaret River.

With 2.5 million visitors to the region each year, the perimeter road is the catalyst for the future renewal of the main street into a modern and attractive tourist destination.





Bunbury MLA Don Punch announced \$3 million towards improving Halifax Business Park.

## HALIFAX BUSINESS PARK

Unlocking growth potential in  
Bunbury's main light industrial  
estate

The Halifax Business Park is the major light industrial estate in Bunbury but has been constrained by lack of supporting infrastructure. In 2018/19, we worked alongside the Halifax Working Group, which includes local business and local government representatives, to develop a business environment more conducive to growth and investment attraction.

Our team here at the Commission put together a business case for a crucial infrastructure enhancement project to

support Halifax's growth. A total of \$3 million was secured towards the project that will support opportunities for long-term investment and jobs creation. The funding will allow the project to get underway next financial year, with the view to improving security, safety, access and infrastructure for local businesses. The project will involve the installation of CCTV at strategic locations and entrances within the precinct, improving the road network by installing a slip lane, and providing sewerage to an area that does not currently have it. It is expected the process

of installing CCTV cameras at 22 locations will begin in 2019/20. We will work alongside the Bunbury Geographe Chamber of Commerce and Industry, City of Bunbury and local businesses to deliver the project.

# PROJECT SNAPSHOTS



## BUSSELTON MARGARET RIVER AIRPORT

Working to open up a  
gateway to opportunities

Works on the Busselton Margaret River Airport development reached important milestones this year as endeavours to secure an airline to service the South West's regional airport continued.

Landside civil and services works were completed, including road construction and upgrades, a new 422 bay carpark, landscaping, and installation of site-wide services and telecommunications. Airside and landside infrastructure works received the highest honour at the Australian Airports Association Innovation and Excellence Awards in the category of Infrastructure Development. Land development to support a future freight hub was completed, and environmental approval was received to extend the operational hours of the airport. The airport was also successful in its bid become a designated 'alternate international airport'.

Having built the business case and secured funding for the game-changing Busselton Margaret River Airport development, we continue to play an important role in the development of the facility which will open up new business and tourism opportunities once complete. Construction of the terminal will be built at a time agreed with the State Government.



## TELECOMMUNICATIONS

Connecting the region to opportunities

We play a key role in working with local government and key stakeholders to identify locations where there is significant lack of mobile coverage in the region. So, we were thrilled when our work to secure better coverage through round four of the Mobile Black Spot Program resulted in announcements for two mobile base stations in the lower South West – Shannon Campground and Nannup North. The Newlands mobile base station will also be upgraded under this program. The improved coverage gained through these enhancements will go a long way in allowing locals and visitors to keep in contact with family and friends, run businesses more effectively, and assist in emergency situations.

We were also involved in the 2018 Telecommunications Investment Prioritisation Study across regional WA. Our work in support of this study saw us liaise with local governments to provide a list of priority sites for consideration for investment under round five of the Mobile Black Spot Program.



# PROJECT SNAPSHOTS

## GREENBUSHES TO PICTON RAILWAY

### Supporting industry and community

During the year in review, we worked with Arc Infrastructure and Talison Lithium to undertake a pre-feasibility study to investigate the viability of a rail-based supply chain solution to support the WA lithium boom. The pre-feasibility study focused on the Greenbushes to Picton rail line and the supporting rail infrastructure to connect downstream processing plants, including the one at Kwinana and the one underway at Kemerton. Currently, lithium concentrate from Greenbushes is transported by road. The study will determine if there is merit to progress to a full feasibility study, relative to the existing road-based supply chain. It's our way of supporting job-creating infrastructure and ensuring the safety of local communities.

## BUNBURY DEVELOPMENT COMMITTEE

### Facilitating key projects in WA's second city

Since being formed by the State Government in 2018 to facilitate the delivery of critical infrastructure projects as part of Bunbury's transformation into Western Australia's second city, the Bunbury Development Committee has played a key role in four projects. These are Transforming Bunbury's Waterfront, Withers Renewal, Glen Iris Liveability and Mangrove Cove.

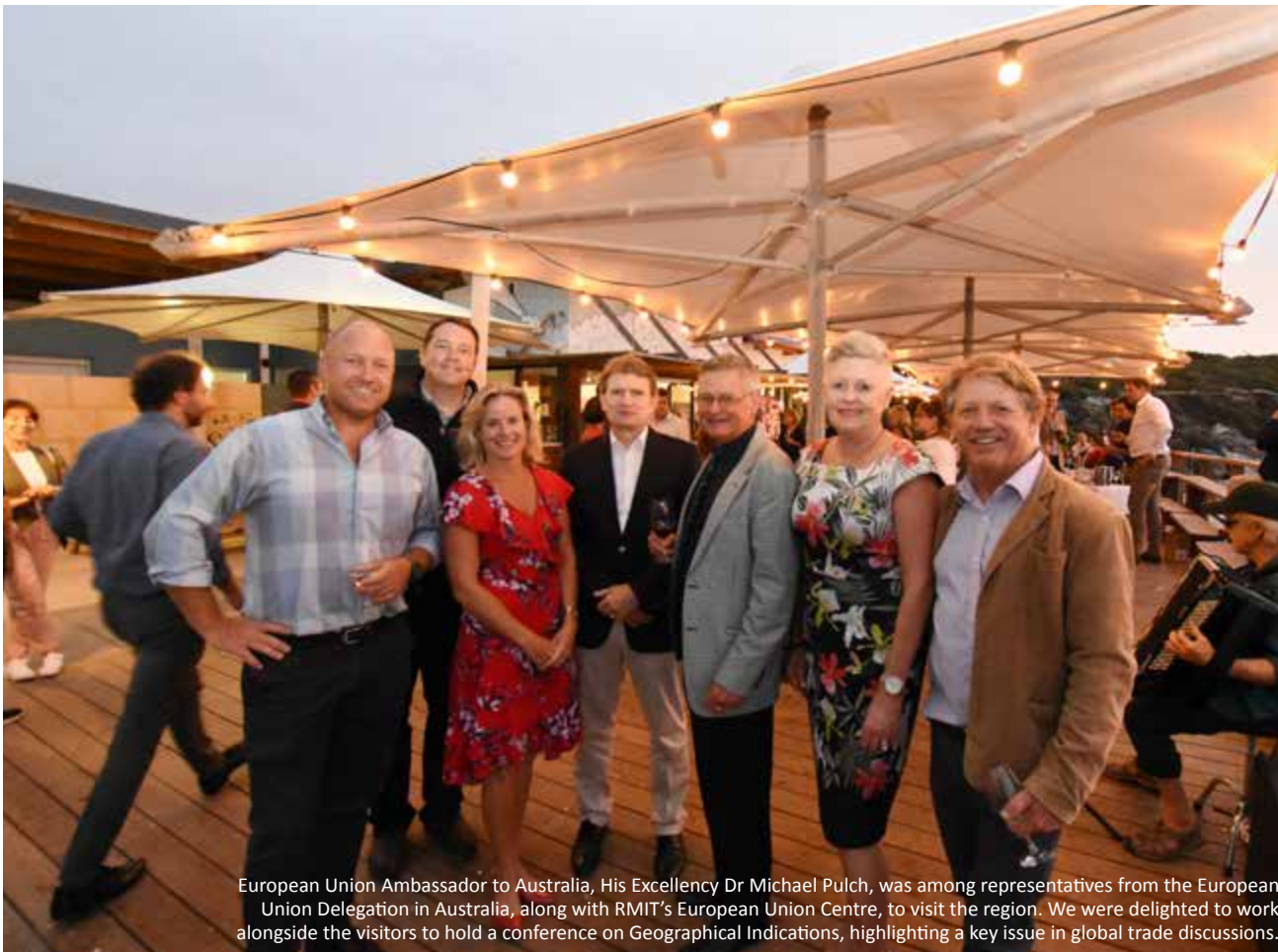
Major activities in 2018/19 included developing a three-staged approach to identifying opportunities to progress the remaining portion of the Mangrove Cove site, otherwise known as Koombana Park. Planning and site useability, community consultation, and calling for expressions of interest on prospective land use proposals have been a focus.



Bunbury Development Committee chair Robyn Fenech and City of Bunbury Deputy Mayor Jaysen De San Miguel.

# Industry + Business

We work to support a broad internationally-engaged industry base that is business ready and Asia capable.



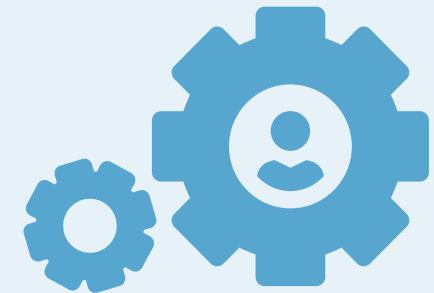
European Union Ambassador to Australia, His Excellency Dr Michael Pulch, was among representatives from the European Union Delegation in Australia, along with RMIT's European Union Centre, to visit the region. We were delighted to work alongside the visitors to hold a conference on Geographical Indications, highlighting a key issue in global trade discussions.

## Challenge

With up to 200,000 new jobs required to support a possible population of 500,000 in 2050, the pressure is on to generate new and diverse employment opportunities.

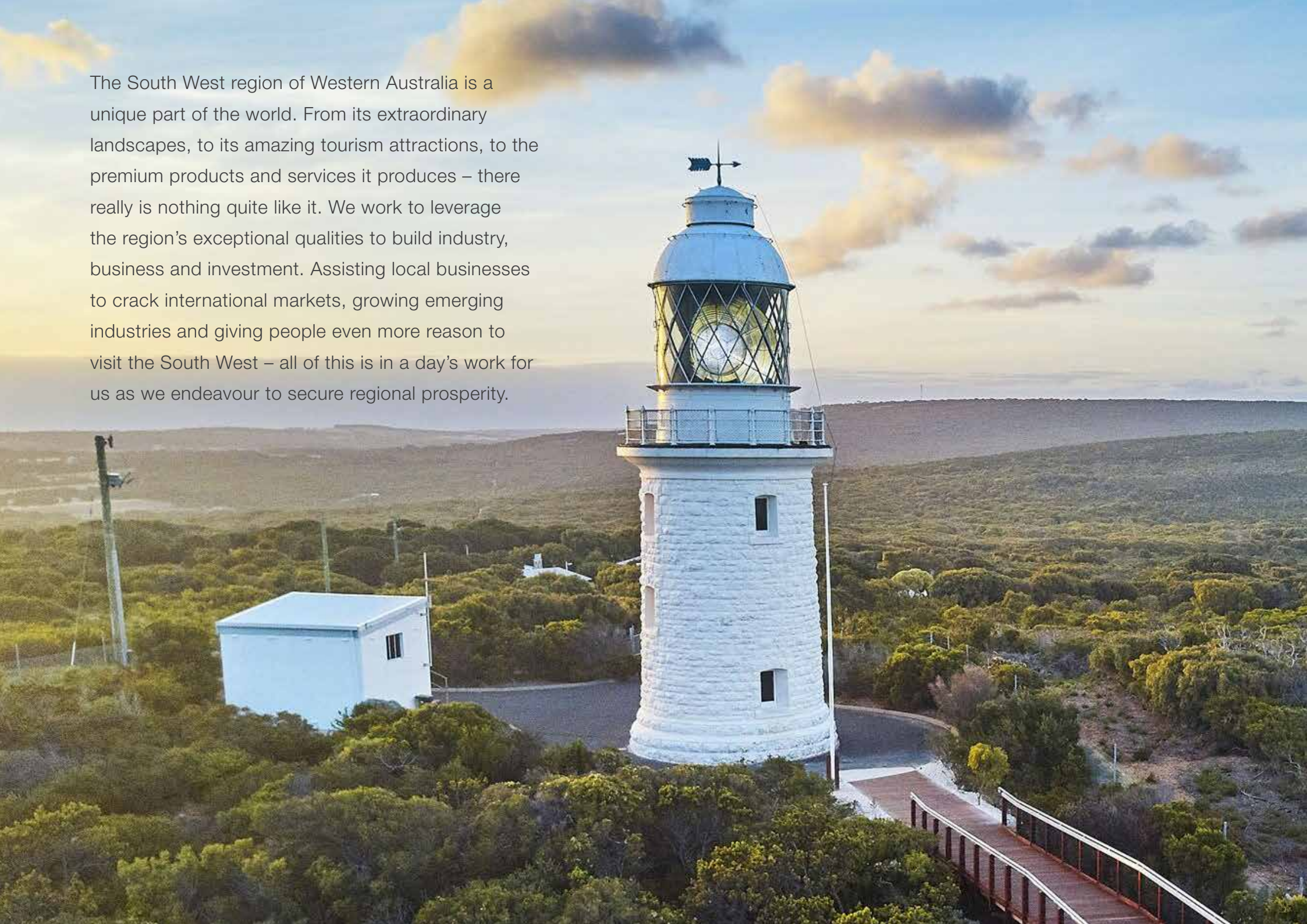
## Key outcomes

- Regional Trade Network launched
- Local businesses are supported to participate in the global marketplace
- Cape Naturaliste Lighthouse upgraded





The South West region of Western Australia is a unique part of the world. From its extraordinary landscapes, to its amazing tourism attractions, to the premium products and services it produces – there really is nothing quite like it. We work to leverage the region's exceptional qualities to build industry, business and investment. Assisting local businesses to crack international markets, growing emerging industries and giving people even more reason to visit the South West – all of this is in a day's work for us as we endeavour to secure regional prosperity.





## TRADESTART PROGRAM

### Working globally to get the best results locally

Our region produces quality products that are worth sharing with the world. Since 2003, our TradeStart team has been helping local businesses to get these premium goods into the international marketplace. In 2018/19, we had another busy year not only facilitating trade opportunities for our region, but also setting up a network that will allow other regions to benefit from our contract with Austrade to deliver TradeStart services.

In the future, more businesses in the southern half of the State will receive support to participate in the international marketplace. This is because we established a Regional Trade Network for the South West, Great Southern and Goldfields-Esperance. The expanded network will provide a strengthened framework for trade and investment, helping to underpin business growth in



South West Development Commission TradeStart Adviser Simon Taylor introduces a visiting international trade delegation to abalone grown in waters off Augusta.

three regional economies in the State's south. Services will be targeted to small and medium enterprises across industries to develop export market development skills and international market knowledge, as well as providing current and relevant advice on international trade and investment opportunities. Efforts to develop international markets will be further boosted by a \$100,000 investment in the network by the State Government. The additional State Government funding is targeted to provide enhanced delivery of TradeStart services to agribusiness and food export-ready clients as part of the wider support offered through the Regional Trade Network to assist local businesses in a range of industries to extend their reach overseas.

In terms of inbound trade missions to the South West, our TradeStart team facilitated about 580 connections between visiting trade delegations and local businesses with the aim of matching importers and producers. Once again, two of the major delegations were linked to major South West food festivals – the Margaret River Gourmet Escape and Truffle Kerfuffle. These inbound delegations

have proven an effective method to connect local businesses with potential opportunities in the international marketplace. Visiting trade representatives get the chance to sample fine food and wine in the region they are produced in, while talking directly with business owners. At the same time, local businesses get to make valuable connections without the expense of leaving the region they call home.

We were also part of the team which produced the 2018 Margaret River On Tour. The promotional campaign was designed to raise awareness of the region in Singapore as a quality producer and top tourist destination. A week-long series of events in the South East Asian city-state included a showcase event at Tamarind Hill that gave guests the chance to sample more than 80 different South West wines and enjoy canapes prepared by Chefs Tony Howell of Margaret River's Cape Lodge restaurant and Evan Hayter of Arimia Winery and Restaurant. Other events included a cabernet sauvignon masterclass, travel trade experience and an icon chardonnay degustation dinner.





Sarah and Simon Green of Southern Forests Honey are taking their honey to the world.

## SOUTHERN FORESTS HONEY

Supporting the expansion of the producer's South West footprint and international reach

Southern Forests Honey is one of the great South West success stories.

From a base on the outskirts of Nannup, it is exporting its products to the world. You can find their range of pure, unpasteurised honey on shelves in Taiwan, Malaysia, Hong Kong – and soon, the Persian Gulf.

The business recently signed an exclusive export agreement with a Dubai-based company to distribute its products in the Gulf region.

And it's not only overseas where things are taking off. Southern Forests Honey is working towards building new operations in the South West which will allow it to expand capacity, enabling it to keep up with demand for its product.

The Colony Concept will incorporate processing, packaging, retail and education. Once complete, it is anticipated it will become an agri-tourism destination.

We are pleased to be able to support Simon, Sarah

and the team at Southern Forests Honey with their expansion plans. Our TradeStart team has provided the business with advice and assistance to help them crack new international markets. Meanwhile, funding through the Regional Economic Development Grants will assist Southern Forests Honey to construct the educational and honey processing elements of The Colony Concept.

## CREATIVE INDUSTRIES

Creating career opportunities for local creatives

The South West is home to many talented creative professionals who are attracted to the lifestyle opportunities afforded by the region. Knowing this, we have worked to create opportunities for these creative professionals to pursue careers in their field without leaving home.

We are thrilled that our behind-the-scenes efforts to grow the film industry in the South West is providing valuable career and professional opportunities. The Naked Wanderer and GO! were recently filmed in the region, and we have worked to support these movies and look for ways to leverage publicity for the region on the back of these film. Both provided professional opportunities. For example, with GO!, locals were employed in a range



Romantic comedy The Naked Wanderer was partially filmed in the South West, including in Bunbury, Dardanup, Dunsborough and Margaret River.

of positions that included first assistant director, safety officer, stills photographer, b-roll videographer, extras casting assistant, locations assistant, unit assistant, caterer, and runner.

We also continued to be a driving force in the Creative Corner, a group which brings together creatives to network and collaborate.





## TOURISM

### Giving more reason for tourists to visit – and stay longer

The South West is the most visited regional area in Western Australia – and it's easy to see why. The region offers a kaleidoscope of high quality experiences that appeal to people from throughout the world. With such a terrific product to work with, there is room to grow the tourism industry with the view to increasing investment in the region to boost local businesses and create jobs. Over the course of the year, we supported and developed a range of initiatives that will strengthen the region's tourism sector.

A highlight was seeing how our investment in the Cape Naturaliste Lighthouse precinct has enhanced the experience for visitors to the tourist attraction. During the year in review, State Government-supported upgrades to the tourism precinct were completed. People visiting the lighthouse can now soak up panoramic ocean views from the new observation platform, as well as enjoy a nautical-themed playground and landscaped lawns.



More than 30 local businesses worked on enhancements to the Cape Naturaliste Lighthouse precinct.

Refreshments can now be enjoyed from the restored lighthouse keeper's cottage housing a brand new café operated by Busselton's popular restaurant The Goose. More than 30 local businesses were employed as part of the project overseen by the Margaret River Busselton Tourism Association.

We were pleased to partner with Curtin University and Australia's South West to identify opportunities for delivering new experiences into the Asian marketplace. The result was a report – [South West for Asia: Promoting tourism product development in Australia's South West tourism region for Asian markets](#) – that examined the experiences and social media needs of Asian visitors as a critical growth market for WA's tourism sector. The research found most Asian visitors were attracted to the South West's clean environment, blue skies and crystal clear waters, but many potential visitors required a greater

understanding of the region's overall experiences. The report also highlighted the need to incorporate social media into tourism activities, enlist the support of Asian social media influencers, as well as expand free wi-fi and offer direct flights from Asia.

We also continued to support the iconic Busselton Jetty's continued growth as a major tourist drawcard, and work with the Bunbury Geographe tourism partnership. Also forming part of our activities was coordinating the Cruise Bunbury committee for the purpose of marketing the city as an attractive cruise ship destination, including the development of new shore excursions. Our support for the Cabin Fever festival in Margaret River attracted 7500 attendances in the off-season winter months. And our South West Music Strategy will support the inaugural Strings Attached: The West Australian Guitar Festival in October 2019.

# PROJECT SNAPSHOTS

## INNOVATION + INVESTMENT

This year we placed a new focus on investment attraction and support for start-ups in the region. A key activity in this area of our work involved teaming up with DPIRD to support the establishment of a South West branch of the Angels investor network, with the aim of facilitating investment in innovation in the region.

The South West is the first regional area in WA to benefit from the opportunities and expertise that the Angels group brings to innovative entrepreneurs and start-up companies. Pitch nights were held, providing local businesses with a chance to get in front of potential investors.

Another highlight was the establishment of the Generator Network online platform, which provides a portal to a variety of sub sites dedicated to connecting users to services and tools.



A briefing on the Southern Network Contract attracted a crowd of local businesses.

## LOCAL CONTENT PROGRAM

### Keeping contracts and jobs in the region

The South West is home to very capable businesses. Through the State Government's Local Content Adviser Network, we have a local content adviser who works as part of our team to connect these local businesses to opportunities on major projects. The aim is to maximise local supplier, contractor and job opportunities in the region – and it is working. For example, there were about 35 local businesses involved with the delivery of the final stage of the Margaret River Perimeter Road project.

The holding of local content events was one of the mechanisms we successfully employed to give local businesses the best shot at competing for

subcontract and supply opportunities on State Government-funded projects. Information briefings and networking sessions were held on the Bunbury Regional Prison Expansion, Southern Network Contract, and Transforming Bunbury's Waterfront – Jetty Road Causeway Upgrade. Through these sessions, local businesses were able to promote themselves to short-listed tenderers or lead contractors. Great outcomes were achieved – for example, 60 South West businesses have been engaged on the Southern Network Contract.

We also saw a project that we held our very first local content event on in 2017 become a great example of

local business involvement in a major project. The redeveloped Dolphin Discovery Centre in Bunbury is not only a striking building and interesting place to visit, it is also an exemplary showcase of local business capability. A long list of local businesses have their fingerprints on the upgraded and expanded building, with Bunbury contractor Perkins Builders delivering the State Government-funded redevelopment from designs by Bunbury practice MCG architects. A total of 46 local subcontractors and suppliers worked on the project, with 204 workers involved in construction including eight apprentices.



# People + Place

We seek to develop a region of first choice, building population and improving amenity.



The Collie Investment Prospectus was launched to an audience of business and industry representatives at the 2019 WA Works Conference, hosted by the Chamber of Commerce and Industry of Western Australia.

## Challenge

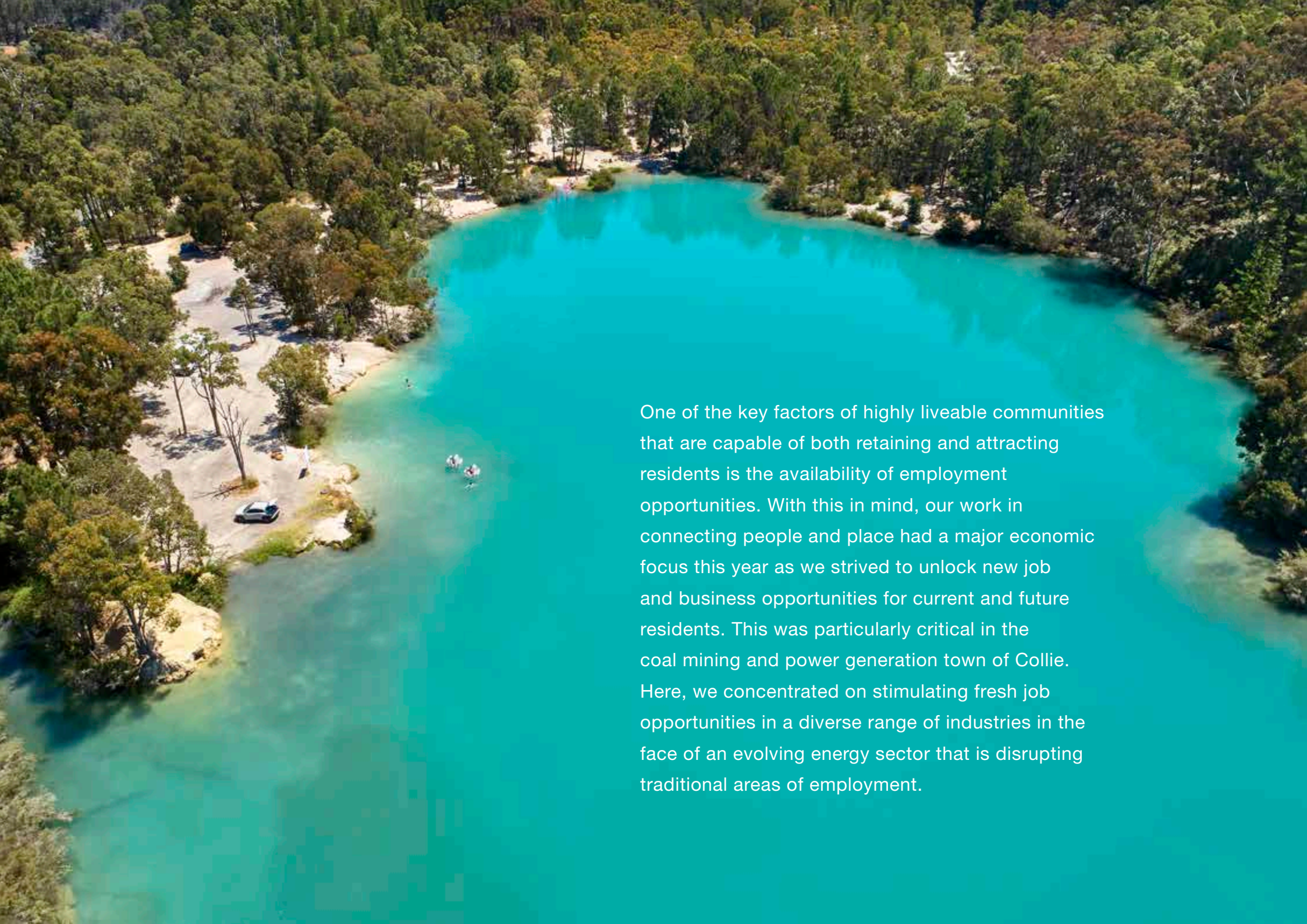
Offering amenity and lifestyle opportunities for people at every stage of life is critical in supporting the growth of the region's population to a possible 500,000 people by 2050.

## Key outcomes

- The \$20 million Collie Futures Fund stimulates new investment in job-creating projects
- The Busselton Foreshore attracts new investment
- Stage Three of the Capel Civic Precinct Stage is completed







One of the key factors of highly liveable communities that are capable of both retaining and attracting residents is the availability of employment opportunities. With this in mind, our work in connecting people and place had a major economic focus this year as we strived to unlock new job and business opportunities for current and future residents. This was particularly critical in the coal mining and power generation town of Collie. Here, we concentrated on stimulating fresh job opportunities in a diverse range of industries in the face of an evolving energy sector that is disrupting traditional areas of employment.



## COLLIE FUTURES

Unlocking new job-creating business and industry opportunities



The way communities are powered is changing. And this has impacted the proud coal mining and power generation town of Collie. Because of this, a priority for us has been working to support local residents as Collie's economy undergoes a transition. This has meant identifying and investing in opportunities to create local jobs across a range of sectors so it is more resilient to fluctuations in industry.

We are pleased to report that the hard work carried out over the past couple of years to support Collie's economic transition began to pay off in 2018/19. A major achievement was launching the \$20 million Collie Futures Fund, which opened the doors for start-ups, businesses and major companies to base themselves in the South West town.

A major achievement was working with the National Trust of Western Australia to secure the disused, heritage-listed Collie Roundhouse for development. Almost \$1 million through the \$18 million Collie Futures Industry Development Fund will enable the former

railway roundhouse to be prepared for public use. This will pave the way for the structure to be transformed into a unique attraction. Through place activation, it is anticipated businesses will be attracted to operate from this site, generating economic outcomes.

In taking a wide-ranging approach to stimulating industry, the State Government announced \$10 million towards establishing Collie as WA's premier 'trail adventure town' to attract mountain bike and bushwalking tourists. And Lake Kepwari became a step closer to becoming one of the South West's premier tourism and recreation destinations, with rehabilitation works underway at the site.

Other initiatives included the release of a Collie Investment Prospectus, which highlights Collie's potential and identifies the diverse range of opportunities the private sector can tap into. An economic development plan for Collie and Bunbury is almost complete.

## BUSSELTON FORESHORE REDEVELOPMENT

Laying the groundwork for further commercialisation along the foreshore

The Busselton Foreshore's decade-long transformation into a thriving destination has been spectacular. Over 10 years, the experience offered to locals and visitors along the foreshore has been greatly enhanced. A community event held in December 2018 to mark a decade of redevelopment along the foreshore provided a chance to reflect on the significant social and economic wins the project has delivered, including a refurbished Busselton Jetty which welcomed more than 500,000 visitors in 2017/18.

The benefits are set to continue flowing in the years ahead. Funding we provided to the City of Busselton in 2016 towards the creation of commercial sites is further unlocking the foreshore's potential. We are pleased



An artist's impression of a new hotel that is planned for the Busselton Foreshore.

the \$4.5 million investment in essential site and service works paid off in 2018/19 in the form of making the area more attractive to investors. A major announcement this reporting year was the attraction of a hotel development.

The infrastructure we provided funding towards will support planned future tourism and commercial development in the precinct including a 4.5 star hotel, a microbrewery, and facilities to accommodate pop-up kiosks and stalls. The development of these commercial enterprises is now progressing. An MOU has been signed between the City of Busselton and Pacifica Hotel Holdings

for the development of a Hilton hotel. Expressions of interest have been released for pop-up kiosk operators. And work on the two-storey microbrewery incorporating a family-style restaurant is set to commence next financial year. These projects will generate significant economic returns to the City of Busselton and the broader South West region, including through the creation of jobs during the construction phase.



## MANJIMUP TOWN CENTRE REVITALISATION

Paving the way for increased business, tourist and resident attraction

Manjimup's growth as a regional centre is being bolstered by the revitalisation of its town centre for the purpose of creating a more liveable community and stimulating economic growth through increased investment and employment opportunities. The project is not yet complete but it has already enhanced the town's attractiveness as a place to live, work and invest. Key elements such as the Manjin Rec Plaza, town centre access enhancements and general amenity improvements have made the leap from paper to reality in recent times.

The reporting period marked another significant 12 months for the project, with a number of major components making headway. The transformation of the Manjimup Timber and Heritage Park into a unique tourism



Manjimup's Brockman Street is being transformed into a food and beverage precinct.

precinct and central community hub advanced, with a highlight being the reopening of the State Timber Museum after a major refurbishment. The Powerup! energy museum, which will be located within the park, neared completion.

The Brockman Street food and beverage precinct took shape, with works commencing on the roofing structure.

Once complete it is expected this precinct will attract a range of retail operators who have the potential to capitalise on the increased investment in agriculture and food tourism in the Southern Forests.

# PROJECT SNAPSHOTS



## BRUNSWICK COTTAGES

Creating liveable communities for all

To help meet the aged accommodation needs to the region, we continue to invest in projects that will allow residents to remain in the communities they call home as they age. Dunsborough's Armstrong Village, Brunswick River Cottages in Brunswick Junction and Bridge Street Affordable Housing Project in Donnybrook are all progressing with funding assistance.

Of the three projects, Brunswick River Cottages has been the first to begin construction. In 2017/18, a sod-turning ceremony was held to formally mark the start of works on the expansion, bringing the town a step closer to having eight new affordable independent living units.

## MARGARET RIVER HEART

Ready to pull back the curtains on Margaret River's new entertainment and business events complex



The transformation of Margaret River's ageing cultural centre and squash court facilities into an entertainment and business events complex is almost complete. The Margaret River Hub of Entertainment Arts and Regional Tourism (HEART) project is expected to generate cultural and economic benefits for Margaret River, which is a premier regional tourist destination. We are delighted that State Government funding has supported the second stage of this project. This final stage includes the refurbishment of the existing auditorium to include a wider theatre space, foyer, new northern façade, tiered theatre-style seating, and upgraded amenities. It is expected the venue will be used for cultural, business, community and tourism events and conferences, generating cultural and economic benefits.



# Community

We will drive and support agendas that promote cohesive, vibrant and engaged communities.



Shantaiha Blurton with Jade Pickett, Dulcie Fairhead, Joanne Ludbrook, Tui Pahuru and Michael (Junior) Bulley prepare for the Australian Indigenous Tourism Conference.

## Challenge

With up to 200,000 new jobs required to support a possible population of 500,000 in 2050, the pressure is on to generate new and diverse employment opportunities.

## Key outcome

- Supporting community-led programs focused on getting people employed



## RESPECT PROGRAM

Building knowledge, skills and employment-readiness

We believe in the capacity of individuals to achieve great things. Which is why we invest in programs which support the development of local residents.

This financial year, we saw young Noongar residents benefit from participating in an SWDC-supported program designed to build the cultural knowledge, skills and employment readiness of participants.

We are proud that 14 participants graduated from the RESPECT program, while assisting with the development of the Roelands Village Memorial and Accessible Bushlands Garden.

Students had the chance to re-engage in education and explore career pathways, with the course providing an introduction to a wide range of possible career options including conservation and land management,

hospitality and tourism, and business administration.

Students also undertook Red Dust Healing and cultural training, and had opportunities to reconnect with culture and language.

Benefits relating to the personal growth and employment prospects of participants sprung from the opportunity to put their newly-gained barista and latte art skills into action at the 2018 Australian Indigenous Tourism Conference in Victoria.

More widely, the program together with the garden project, has contributed to the repurposing of Roelands Village – a former mission – into a welcoming, active and interactive place for education, employment and social enterprise.



We are helping to build the employment prospects of the region's residents, one grant at a time. With funding assistance from us, local community groups are being empowered to deliver employment prospect-building programs that provide individuals with opportunities to thrive.



## DANJU – JOBS TOGETHER

Building employment opportunities together



Out in the Collie River Catchment, you will find a team hard at work, nurturing the local environment.

It's all because of a Leschenault Catchment Council (LCC) venture we are supporting through the Collie Futures Small Grants Program which is creating new employment opportunities for Noongar people.

Through Danju-Jobs Together, Noongar people are being involved in the work carried out by the LCC within the Collie River Catchment.

The project is facilitating the planning, governance and training framework for Collie-based Indigenous Workabout, an existing business which is being supported to move into landcare.

Contracts have been delivered with Indigenous Workabout for a wide range of clients. Jobs and associated training have included weed control, planting and seed collection.

This project will result in an LCC expanded work program that will stimulate the local economy, support community

needs, and provide a long-term benefit to the Collie region. The program is on track to increase the number of people employed by 12 people by mid-2019.

# Disclosures

## Disclosures and legal compliance

### Financial statements

A copy of our detailed financial statements are located on page 60. The Auditor General's opinion of the financial statements is also disclosed.

### Ministerial directives

There were no Ministerial directives during the year in review.

### Directors liability insurance

The Commission maintained Directors Liability Insurance with the total premium being \$1933.50.

### Freedom of information

The Commission received one Freedom of Information request.

### Board and committee remuneration

Remuneration for the Board was as follows:

- Chairperson: \$63,000 per annum
- Deputy Chairperson: Full-day meeting – \$790 per meeting. Half-day meeting – \$513 per meeting. Plus an additional \$5000 per annum.
- Members: Full-day meeting – \$622 per meeting. Half-day meeting – \$403 per meeting

There were no sub-committees of the board.

### Contact with senior officers

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

### Credit cards

Due to becoming part of the Department of Primary Industries and Regional Development, the Commission now only holds two corporate credit cards. A total of 13 are held by staff members who are DPIRD employees. These cards are used for official and approved work purposes.

## Other legal requirements

### Expenditure on advertising, market research, polling and direct mail

We have continued to be stringent when it comes to spending on advertising. In this regard, we have aimed to limit expenditure predominately to raising awareness of key funding opportunities, chances for the community to have input on projects and strategies, events where there is clear public benefit, and board position opportunities.

Expenditure on advertising the opportunities provided by the Collie Futures Fund will be recouped by the Department of Jobs, Tourism, Science and Innovation.

Market research Agencies:	\$
• Advantage Communications - Research	\$4,911
Advertising:	
• Print advertising	\$23,027
\$335 – SWDC	
\$22,692 – DPIRD	
<b>Total expenditure</b>	<b>\$27,938</b>

### Disability access and inclusion plan outcomes

The Commission is committed to promoting an inclusive environment in which all people can access our services and facilities. In this regard, we supported the development of DPIRD's Disability Access and Inclusion Plan (DAIP) 2018-23, which was implemented this financial year. The DAIP was developed in consultation with the DAIP Working Group, Department of Communities, Regional Development Commissions, peak bodies and people with disability and the DPIRD Communications branch.

Our efforts in this area complement our commitment to ensuring an inclusive region in which all people enjoy a high quality of life and are able to participate in community life and pursue interests without restriction based on ability.



## Compliance with public sector standards and ethical codes

The Department of Primary Industries and Regional Development has developed policy, guidelines and processes to support compliance with Public Sector standards and ensure all associated activities are undertaken in a professional and unbiased manner. Employees are informed of updates to policies, and these are available on intranet sites.

## Recordkeeping plans

The Commission's Record Keeping Plan details the record keeping program for the agency, including which records are to be created and how those records are to be kept. The Commission keeps comprehensive records, with the assistance of HP Trim Records Management System. All employees have been encouraged to complete corporate training to get a better understanding of DPIRD and its responsibilities, including recordkeeping awareness.

## Government policy requirements

We are committed to meeting policy requirements, and providing an environment which operates in accordance to best practice. As employees now operate under the Department of Primary Industries and Regional Development, most information relating to policies is held by the Department.

## Substantive equality

The Commission encourages and values a diverse and inclusive workplace. We emphasise that all employees recognise and respect the diversity of backgrounds, beliefs and experiences that exist within our workforce and our community. Such an environment is dependent on being free from all forms of harassment, victimisation and discrimination relating to employment and opportunity. For more information, please see the DPIRD annual report.

## Occupational safety, health and injury management

We are committed to achieving a high standard of occupational safety, health and injury management. Guiding our efforts in this area are the *Occupational Safety and Health Act 1984* and the WA Government's code of practice Occupational Safety and Health in the Western Australia Public Sector. Staff members assist to maintain a safe and healthy workplace by being encouraged to play an active role in hazard identification, risk management and risk control processes, with risks to be reported to their manager or entering incidents in the central register.

In our commitment to having a workplace free of injury and in reflection of our being required to visit projects that are in the construction stage, we have a supply of hard hats and high-visibility vests. Our annual performance in this area is detailed below. We failed to meet the target percentage for managers trained in this field as a result

of a high workload. However, our Administration Officer is part of a DPIRD committee dedicated to ensuring high standards of occupational safety, health and injury management.

	Target 2018/19	Actual 2018/19
Number of fatalities	0	0
Lost time injury/diseases (LTI/D) incidence rate	0	0
Lost time injury severity rate	0	0
Percentage of injury	0	0
Percentage of managers trained in occupational safety, health and injury management responsibilities	Greater or equal to 50%	0%

## Government building training policy

The Government Building Training Policy aims to increase the number of apprentices and trainees in the building and construction industry. It does so by requiring contractors awarded State Government building, construction and maintenance contracts to commit to meeting a target training rate by employing construction apprentices and trainees. Infrastructure projects we were involved in, including the Dolphin Discovery Centre redevelopment, incorporated apprentices.

# FINANCIAL STATEMENTS





## Auditor General

### INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

### SOUTH WEST DEVELOPMENT COMMISSION

#### Report on the Financial Statements

##### Opinion

I have audited the financial statements of the South West Development Commission which comprise the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the South West Development Commission for the year ended 30 June 2019 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

##### Basis for Opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Commission in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### Responsibility of the Board for the Financial Statements

The Board is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Commission.

##### Auditor's Responsibility for the Audit of the Financial Statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.





As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

#### **Report on Controls**

##### **Opinion**

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the South West Development Commission. The controls exercised by the Commission are those policies and procedures established by the Board to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the South West Development Commission are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2019.

##### **The Board's Responsibilities**

The Board is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's instructions and other relevant written law.





### **Auditor General's Responsibilities**

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Limitations of Controls**

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

### **Report on the Key Performance Indicators**

#### **Opinion**

I have undertaken a reasonable assurance engagement on the key performance indicators of the South West Development Commission for the year ended 30 June 2019. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the South West Development Commission are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2019.

### **The Board's Responsibility for the Key Performance Indicators**

The Board is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Board determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Board is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

### **Auditor General's Responsibility**

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.



I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators**

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### **Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators**

This auditor's report relates to the financial statements and key performance indicators of the South West Development Commission for the year ended 30 June 2019 included on the Commission's website. The Commission's management is responsible for the integrity of the Commission's website. This audit does not provide assurance on the integrity of the Commission's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



**DON CUNNINGHAME**  
 ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT  
 Delegate of the Auditor General for Western Australia  
 Perth, Western Australia  
 19 September 2019



## South West Development Commission - 30 June 2019

### Disclosures and Legal Compliance

#### Financial Statements

##### Certification of Financial Statements

##### For the reporting period ended 30 June 2019

The accompanying financial statements of the South West Development Commission have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2019 and the financial position as at 30 June 2019.

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



Nick Belyea  
Chairman of the Board  
18 September 2019



Ashley Clements  
Assistant Executive Officer  
18 September 2019



Cameron Patterson  
Chief Finance Officer  
18 September 2019



South West Development Commission - 30 June 2019

**Statement of comprehensive income**  
For the year ended 30 June 2019

	2018	2018
Notes	\$	\$
<b>COST OF SERVICES</b>		
<b>Expenses</b>		
Employee benefits expense	2. 1(a) 258,833	208,013
Supplies and services	2.3 3,136,544	2,993,619
Depreciation and amortisation expense	4. 1, 4.2 303,132	158,668
Impairment	4.1 631,521	-
Accommodation expenses	2.3 -	151,477
Grants and subsidies	2.2 205,000	2,831,264
Other expenses	2.2 42,935	29,181
<b>Total cost of services</b>	2.3 <b>4,577,965</b>	<b>6,372,212</b>
<b>Income</b>		
<b>Revenue</b>		
Commonwealth grants and contributions	3.3 29,889	36,876
Other revenue	3.2 23,282	12,628
<b>Total Revenue</b>	<b>53,171</b>	<b>49,504</b>
<b>Total income other than income from State Government</b>	<b>53,171</b>	<b>49,504</b>
<b>NET COST OF SERVICES</b>	<b>4,524,794</b>	<b>6,322,708</b>
<b>Income from State Government</b>		
Service Appropriation	3.1 223,000	223,000
Resources received free of charge	3.1 2,986,557	2,722,836
Royalties for Regions Fund	3.1 -	3,482,973
<b>Total income from State Government</b>	<b>3,209,557</b>	<b>6,428,809</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>	<b>(1,315,237)</b>	<b>106,101</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		
<b>Items not reclassified subsequently to profit or loss</b>		
Changes in asset revaluation reserve	(1,010,444)	(308,879)
<b>Total other comprehensive income (loss)</b>	<b>(1,010,444)</b>	<b>(308,879)</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>	<b>(2,325,681)</b>	<b>(202,778)</b>

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





South West Development Commission - 30 June 2019

**Statement of financial position**  
As at 30 June 2019

	Notes	2019 \$	2018 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6.1	703,856	703,857
Restricted cash and cash equivalents	6.1	4,894,115	8,198,722
Receivables	5.1	18,334	63,518
Other current assets	5.3	-	406
<b>Total Current Assets</b>		<b>5,414,305</b>	<b>8,966,503</b>
<b>Non-Current Assets</b>			
Restricted cash and cash equivalents	6.1	10,822	10,822
Amounts receivable for services	5.2	1,253,000	1,253,000
Infrastructure, property, plant and equipment	4.1	18,089,358	13,141,941
Intangible assets	4.2	-	-
<b>Total Non-Current Assets</b>		<b>19,353,180</b>	<b>14,405,763</b>
<b>TOTAL ASSETS</b>		<b>24,767,485</b>	<b>23,372,266</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	5.4	72,160	37,765
Provisions	2.1(b)	-	405
<b>Total Current Liabilities</b>		<b>72,160</b>	<b>38,170</b>
<b>Non-Current Liabilities</b>			
Provisions	2.1(b)	-	-
<b>Total Non-Current Liabilities</b>		<b>72,160</b>	<b>38,170</b>
<b>TOTAL LIABILITIES</b>		<b>144,320</b>	<b>76,340</b>
<b>NET ASSETS</b>		<b>24,623,165</b>	<b>23,300,000</b>
<b>EQUITY</b>			
Contributed equity	8.9	23,678,877	19,991,967
Reserves	8.9	9,967,148	10,977,592
Accumulated surplus/(deficit)	8.9	(8,950,700)	(7,535,463)
<b>TOTAL EQUITY</b>		<b>24,695,325</b>	<b>23,334,096</b>

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





South West Development Commission - 30 June 2019

**Statement of changes in equity**  
For the year ended 30 June 2019

	Notes	Contributed equity \$	Reserves \$	Accumulated surplus / (deficit) \$	Total equity \$
<b>Balance at 1 July 2017</b>		19,991,967	11,286,471	(7,741,564)	23,536,874
Surplus/(deficit)		-	-	106,101	106,101
Other comprehensive income	8.9	-	(308,879)	-	(308,879)
Total comprehensive income for the period		-	(308,879)	106,101	(202,778)
<b>Balance at 30 June 2018</b>		<b>19,991,967</b>	<b>10,977,592</b>	<b>(7,635,463)</b>	<b>23,334,096</b>
<b>Balance at 1 July 2018</b>		19,991,967	10,977,592	(7,635,463)	23,334,096
Surplus/(deficit)		-	-	(1,315,237)	(1,315,237)
Other comprehensive income	8.9	-	(1,010,444)	-	(1,010,444)
Total comprehensive income for the period		-	(1,010,444)	(1,315,237)	(2,325,681)
Transactions with owners in their capacity as owners:	8.9				
Capital appropriations		3,686,910	-	-	3,686,910
Total		3,686,910	-	-	3,686,910
<b>Balance at 30 June 2019</b>		<b>23,678,877</b>	<b>9,967,148</b>	<b>(8,950,700)</b>	<b>24,695,325</b>

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





South West Development Commission - 30 June 2019

**Statement of cash flows**  
For the year ended 30 June 2019

	2019	2018
Notes	\$	\$
<b>CASH FLOWS FROM STATE GOVERNMENT</b>		
Service appropriation	223,000	223,000
Capital appropriation	3,686,910	-
Royalties for Regions Fund	-	3,482,973
<b>Net cash provided by State Government</b>	<b>3,909,910</b>	<b>3,705,973</b>
Utilised as follows:		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Payments</b>		
Employee benefits	(244,474)	(859,570)
Supplies and services	(116,031)	(419,559)
Accommodation	-	(151,477)
Grants and subsidies	(205,000)	(2,831,254)
GST payments on purchases	(722,113)	(565,187)
Other payments	(42,935)	(29,181)
<b>Receipts</b>		
Commonwealth grants and contributions	29,889	36,876
GST receipts on sales	5,287	4,937
GST receipts from taxation authority	750,092	635,861
Other receipts	23,282	12,628
<b>Net cash used in operating activities</b>	<b>(522,003)</b>	<b>(4,165,926)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Payments</b>		
Purchase of non-current assets	(6,892,515)	(2,762,978)
<b>Net cash used in investing activities</b>	<b>(6,892,515)</b>	<b>(2,762,978)</b>
Net increase/(decrease) in cash and cash equivalents	(3,504,606)	(3,222,931)
Cash and cash equivalents at the beginning of the period	8,913,401	12,136,332
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>6.1 5,408,793</b>	<b>8,913,401</b>

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



## Notes to the Financial Statements

### 1. Basis of preparation

The Commission is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The Commission is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

A description of the nature of its operations and its principal activities have been included in the 'Overview' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Accountable Authority of the Commission on 18 September 2019.

### Statement of compliance

These general purpose financial statements have been prepared in accordance with:

- 1) The *Financial Management Act 2006 (FMA)*
- 2) The Treasurer's Instructions (**the Instructions or TI**)
- 3) Australian Accounting Standards (**AASs**) - Reduced Disclosure Requirements
- 4) Where appropriate, those **AAS** paragraphs applicable for not-for-profit entities have been applied.

The *Financial Management Act 2006* and the Treasurer's Instructions (the Instructions) take precedence over AAS. Several AAS are modified by the Instructions to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

### Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest dollar.

### Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

### Contributed equity

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

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



## South West Development Commission - 30 June 2019

### 2. Use of our funding

#### Expenses incurred in the delivery of services

This section provides additional information about how the Commission's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Commission in achieving its objectives and the relevant notes are:

	Notes	2019 \$	2018 \$
Employee benefits expenses	2.1 (a)	258,833	208,013
Employee related provisions	2.1 (b)	-	405
Grants and subsidies	2.2	205,000	2,831,254
Other expenditure	2.3	3,179,479	3,174,277

#### 2.1 (a) Employee benefits expenses

Wages and Salaries			
Superannuation - defined contribution plans <sup>(a)</sup>			
<b>Total employee benefits expenses</b>			

	2019 \$	2018 \$
	232,183	184,374
	26,650	23,639
	258,833	208,013

<sup>(a)</sup> Defined contribution plans include West State Superannuation Scheme (WSS), Gold State Superannuation Scheme (GSS), Government Employees Superannuation Board Schemes (GESBs) and other eligible funds.

**Wages and salaries:** Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums.

**Superannuation:** The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs, or other superannuation funds. The employer contribution paid to the Government Employees Superannuation Board (GESB) in respect of the GSS is paid back into the Consolidated Account by the GESB.

GSS (concurrent contributions) is a defined benefit scheme for the purposes of employees and whole-of-government reporting. It is however a defined contribution plan for Commission purposes because the concurrent contributions (defined contributions) made by the Commission to GESB extinguishes the Commission's obligations to the related superannuation liability.

The Commission does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. The Liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Commission to the GESB.

The GESB and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

South West Development Commission - 30 June 2019

2.1 (b) Employee related provisions

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

	2019 \$	2018 \$
<b>Current</b>		
<u>Employee benefits provisions</u>		
Annual leave <sup>(a)</sup>	-	-
Long service leave <sup>(b)</sup>	-	-
Purchased leave <sup>(c)</sup>	405	405
	<b>405</b>	
<u>Other provisions</u>		
Employment on-costs <sup>(d)</sup>	-	-
<b>Total current employee related provisions</b>	<b>405</b>	
<b>Non-current</b>		
<u>Employee benefits provisions</u>		
Long service leave <sup>(b)</sup>	-	-
	<b>-</b>	
<u>Other provisions</u>		
Employment on-costs <sup>(d)</sup>	-	-
<b>Total non-current employee related provisions</b>	<b>-</b>	
<b>Total employee related provisions</b>	<b>405</b>	

<sup>(a)</sup> **Annual leave liabilities:** Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

<sup>(b)</sup> **Long service leave liabilities:** Unconditional long service leave provisions are classified as **current** liabilities as the Commission does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Pre-conditional and conditional long service leave provisions are classified as **non-current** liabilities because the Commission has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

The provision of the long service leave liabilities are calculated at present value as the Commission does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.





## South West Development Commission - 30 June 2019

<sup>(c)</sup> **Deferred salary scheme liabilities:** Classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

<sup>(d)</sup> **Employment on-costs:** The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses, Note 2.3 (apart from the unwinding of the discount (finance cost))' and are not included as part of the Commission's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

### Employment on-cost provision

Carrying amount at start of period

Additional/(reversals of) provisions recognised

Carrying amount at end of period

	2019	2018
	\$	\$
	-	8,215
	-	(8,215)
	-	-

### **Key sources of estimation uncertainty – long service leave**

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

Several estimates and assumptions are used in calculating the Commission's long service leave provision. These include:

- Expected future salary rates
- Discount rates
- Employee retention rates; and
- Expected future payments

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave

Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

## 2.2 Grants and subsidies

### Recurrent

Non Public organisations

Public sector organisations

Local Government agencies

**Total grants and subsidies**

	2019	2018
	\$	\$
	205,000	1,657,869
	-	-
	-	1,173,385
	205,000	2,831,254

Transactions in which the Commission provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving approximately equal value in return are categorised as 'Grant expenses'. Grants can either be operating or capital in nature.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as: grants, subsidies, personal benefit payments made in cash to individuals, other transfer payments made to public sector agencies, local government, non-government schools, and community groups.

South West Development Commission - 30 June 2019

## 2.3 Other expenditure

	2019 \$	2018 \$
<b>Supplies and services</b>		
Communications	1,260	12,344
Consultants and contractors	101,312	160,438
Consumables	17,872	27,653
Repairs and maintenance	2,530	1,315
Lease, rent and hire costs	10,439	18,348
Travel	5,436	14,435
Insurance	1,760	-
Rates and charges	2,599	20,359
Other	6,779	17,593
Support Services provided by DPIRD <sup>(a)</sup>	2,986,557	2,721,134
<b>Total supplies and services expenses</b>	<b>3,136,544</b>	<b>2,993,619</b>
<b>Accommodation expenses</b>		
Lease rentals	-	148,442
Cleaning	-	3,035
<b>Total accommodation expenses</b>	<b>-</b>	<b>151,477</b>
<b>Other expenses</b>		
Employment on-costs	-	-
Audit fees	-	-
Internal audit costs	8,000	4,456
Contributions	2,582	-
Refund of revenue from prior years	-	-
Learning and development	2,074	19,990
Other expenses	30,279	4,735
<b>Total other expenses</b>	<b>42,935</b>	<b>29,181</b>
<b>Total other expenditure</b>	<b>3,179,479</b>	<b>3,174,277</b>

<sup>(a)</sup> Support Services provided by Department of Primary Industries and Regional Development (DPIRD) to support the Commission in the fulfilment of its statutory functions and obligations under the Regional Development Act 1993. See Note 3.1 Income from State Government.

### Supplies and services:

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

### Accommodation expenses:

Operating lease payments are recognised on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

Electricity and cleaning costs are recognised as expenses as incurred.

### Other expenses:

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

**Employee on-cost** includes workers' compensation insurance and other employment on-costs. The on costs liability associated with the recognition of annual and long service leave liabilities is included at Note 2.1(b) Employee related provisions. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.





## South West Development Commission - 30 June 2019

### 3. Our funding sources

#### How we obtain our funding

This section provides additional information about how the Commission obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Commission and the relevant notes are:

	Notes	2019 \$	2018 \$
Income from State Government	3.1	3,209,557	6,428,809
Other Revenue	3.2	23,282	12,628
Commonwealth grants and contributions	3.3	29,889	36,876
<b>3.1 Income from State Government</b>			
Appropriation received during the period:			
Service appropriation <sup>(a)</sup>		223,000	223,000
<b>Total appropriation received</b>		<b>223,000</b>	<b>223,000</b>
Services received free of charge from Other State Government agencies during the period <sup>(b)</sup>			
Determined on the basis of the following estimates provided by agency:			
Department of Water and Environmental Regulation		-	1,668
State Solicitor's Office		-	34
Department of Primary Industries and Regional Development <sup>(c)</sup>		2,986,557	2,721,134
<b>Total services received</b>		<b>2,986,557</b>	<b>2,722,836</b>
Royalties for Regions Fund:			
Regional and Statewide Initiatives-Operational Funds <sup>(d)</sup>		-	1,260,750
Regional Community Services Account <sup>(e)</sup> CCF & RGS		-	2,222,223
<b>Total Royalties for Regions Fund</b>		<b>-</b>	<b>3,482,973</b>
<b>Total Income from State Government</b>		<b>3,209,557</b>	<b>6,428,809</b>

(a) **Service appropriations** received from the Department of Treasury fund the net cost of services delivered. Appropriation revenue comprises a cash component only.

(b) **Assets or services** received free of charge or for nominal cost are recognised as revenue at fair value of the assets and/or services that can be reliably measured and which would have been purchased if they were not donated. Contributions of assets or services in the nature of contributions by owners are recognised direct to equity.

(c) **Support Services provided by Department of Primary Industries and Regional Development (DPIRD)** to support the Commission in the fulfilment of its statutory functions and obligations under the Regional Development Act 1993.

(d) **The Regional and Statewide Initiatives-Operational Funds Account** is a sub-fund within the over-arching 'Royalties for Regions Fund'. The recurrent funds from the Department of Treasury include the operational expenses of the Commission and are recognised as revenue when the Commission gains control of the funds.

(e) **The Regional Community Services Account** is a sub-fund within the overarching 'Royalties for Regions'. The recurrent funds are committed to projects and programs in WA regional areas and are recognised as revenue when the Commission gains control on receipt of the funds.



South West Development Commission - 30 June 2019

**3.2 Other Revenue**

Rental from property  
Other sundry income

2019	2018
\$	\$
782	11,744
22,500	884
<u>23,282</u>	<u>12,628</u>

**3.3 Commonwealth grants and contributions**

Australian Trade Commission

2019	2018
\$	\$
<u>29,889</u>	<u>36,876</u>





## South West Development Commission - 30 June 2019

### 4. Key assets

#### Assets the Commission utilises for economic benefit or service potential

This section includes information regarding the key assets the Commission utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes	2019	2018
		\$	\$
Infrastructure, property, plant and equipment			
Intangibles	4.1	18,089,358	13,141,941
	4.2	-	-
<b>Total key assets</b>		<b>18,089,358</b>	<b>13,141,941</b>

#### 4.1 Infrastructure, property, plant and equipment

Year ended 30 June 2019	Land	Buildings	Buildings under construction	Office Equipment	Infrastructure	Works of Art	Total
1 July 2018	\$	\$	\$	\$	\$	\$	\$
Gross carrying amount	5,738,200	3,010,579	3,680,700	223,855	809,000	43,200	13,505,534
Accumulated depreciation	-	(27,122)	-	(207,893)	(128,578)	-	(363,593)
Accumulated impairment loss	-	-	-	-	-	-	-
<b>Carrying amount at start of period</b>	<b>5,738,200</b>	<b>2,983,457</b>	<b>3,680,700</b>	<b>15,962</b>	<b>680,422</b>	<b>43,200</b>	<b>13,141,941</b>
Additions	-	10,573,515	7,072,815	-	-	-	17,646,330
Retirement/(Transfers)	(300)	-	(10,733,515)	-	-	-	(10,733,815)
Revaluation increments/(decrements) recognised in Other Comprehensive Income	(1,472,000)	455,235	-	-	-	6,300	(1,010,445)
Depreciation	-	(248,127)	-	-	(42,733)	-	(306,132)
Impairment losses (a)	-	-	-	-	(631,521)	-	(631,521)
<b>Carrying amount at 30 June 2019</b>	<b>4,266,900</b>	<b>13,764,100</b>	<b>-</b>	<b>3,690</b>	<b>5,166</b>	<b>49,500</b>	<b>18,089,358</b>
Gross carrying amount	4,266,900	13,764,100	-	207,754	809,000	49,500	19,096,254
Accumulated depreciation	-	-	-	(204,063)	(171,311)	-	(375,374)
Accumulated impairment loss	-	-	-	-	(631,521)	-	(631,521)

(a) Recognised in the Statement of Comprehensive Income. Where an asset measured at cost is written-down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income.

#### Initial recognition

Items of property, plant and equipment and infrastructure, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. Items of property, plant and equipment and infrastructure costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

#### Subsequent measurement

Subsequent to initial recognition of an asset, the revaluation model is used for the measurement of:

- land
- buildings
- infrastructure; and
- works of art

Land and works of art are carried at fair value.

Buildings and infrastructure are carried at fair value less accumulated depreciation and accumulated impairment

All other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.



## South West Development Commission - 30 June 2019

**Land and buildings** are independently valued annually by the Western Australian Land Information Authority (Valuations and Property Analytics) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

Land and buildings were revalued as at 1 July 2018 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2019 and recognised at 30 June 2019. In undertaking the revaluation, fair value was determined by reference to market values for land: \$2,840,000 (2018: \$2,890,000). For the remaining balance, the fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land). The fair value of buildings was determined on the basis of current replacement cost: \$13,764,100 (2018: \$2,983,457).

**Infrastructure** is independently valued every 3 to 5 years by Western Australian Land Information Authority (Valuation Services). Infrastructure assets were independently revalued by Western Australian Land Information Authority (Valuation Services) as at 30 June 2019. The valuations were recognised at 30 June 2019. In undertaking the revaluation, fair value was determined to be nil (2018: \$680,423) for Pemperton Hydro Power Station.

*Revaluation model:*

(a) Fair Value where market-based evidence is available:

The fair value of land, buildings and works of art is determined on the basis of current market values determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

(b) Fair value in the absence of market-based evidence:

**Buildings and infrastructure are specialised or where land is restricted:** Fair value of land, buildings and infrastructure is determined on the basis of existing use.

**Existing use buildings and infrastructure:** Fair value is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the current replacement cost. Where the fair value of buildings and infrastructure is determined on the current replacement cost basis, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset.

**Restricted use land:** Fair value is determined by comparison with market evidence for land with similar approximate utility (high restricted use land) or market value of comparable unrestricted land (low restricted use land).

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



## South West Development Commission - 30 June 2019

### 4.1.1 Depreciation and impairment

#### Change for the period

<u>Depreciation</u>	
Office equipment	
Buildings	
Computer equipment	
Infrastructure	
<b>Total depreciation for the period</b>	

2019	2018
\$	\$
5,611	6,853
248,127	83,643
6,661	6,661
42,733	42,733
<b>303,132</b>	<b>139,890</b>

<u>Impairment</u>	
Infrastructure	
<b>Total impairment for the period</b>	

2019	2018
\$	\$
631,521	-
<b>631,521</b>	<b>-</b>

As at 30 June 2019 there was an impairment of infrastructure. This impairment is related to the Pemberton Hydro Power Station which has been non-operational since 2011 and its financial performance during operation was only 6% of what had been anticipated.

All surplus assets at 30 June 2019 have either been classified as assets held for sale or have been written-off.

Please refer to note 4.2.1 for guidance in relation to the impairment assessment that has been performed for intangible assets.

#### Finite useful lives

All infrastructure, property, plant and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. The exceptions to this rule include items under operating leases, assets held for sale, land and investment properties.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	Useful life: years
Building	20 to 40 years
Office equipment	3 to 10 years
Infrastructure	20 to 29 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments should be made where appropriate.

Land and works of art which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.



## South West Development Commission - 30 June 2019

### Impairment

Non-financial assets, including items of property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit or loss.

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

As the Commission is a not-for-profit entity, unless a specialised asset has been identified as a surplus asset, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

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



## 4.2 Intangibles

### Initial recognition

Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

### Subsequent measurement

#### 4.2.2.1 Amortisation and impairment

**Intangible assets**  
**Total amortisation for the period**

As at 30 June 2019 there were no indications of impairment to intangible assets.

Amortisation of finite life intangible assets is calculated on a straight line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by the Commission have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

The estimated useful lives for each class of intangible asset are:

## Impairment of intangible assets

The policy in connection with testing for impairment is outlined in note 4.1.1.

## South West Development Commission - 30 June 2019

### Computer Software

Software that is an integral part of the related hardware is recognised as part of the tangible asset. Software that is not an integral part of the related hardware is recognised as an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

### 5. Other assets and liabilities

This section sets out those assets and liabilities that arose from the Commission's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes	2019 \$	2018 \$
Receivables			
Amounts receivable for services	5.1	16,334	63,518
Other current assets	5.2	1,253,000	1,253,000
Payables	5.3	-	406
	5.4	72,160	37,765

#### 5.1 Receivables

	2019 \$	2018 \$
<u>Current</u>		
Receivables	10,000	24,764
GST Receivable	6,334	38,754
<b>Total current</b>	<b>16,334</b>	<b>63,518</b>
<b>Balance at end of period</b>	<b>16,334</b>	<b>63,518</b>

The Commission does not hold any collateral or other credit enhancements as security for receivables.

Receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

#### 5.2 Amounts receivable for services (Holding Account)

	2019 \$	2018 \$
<u>Current</u>		
Non-Current	1,253,000	1,253,000
<b>Balance at end of period</b>	<b>1,253,000</b>	<b>1,253,000</b>

Amounts receivable for services represent 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.

#### 5.3 Other current assets

	2019 \$	2018 \$
<u>Current</u>		
Prepayments	-	406
<b>Total current</b>	<b>-</b>	<b>406</b>
<b>Balance at end of period</b>	<b>-</b>	<b>406</b>

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.





South West Development Commission - 30 June 2019

5.4 Payables

	2019 \$	2018 \$
<b>Current</b>		
Trade payables	64,548	36,890
Accrued expenses	6,737	-
Accrued salaries	875	875
<b>Total current</b>	<b>72,160</b>	<b>37,765</b>
<b>Balance at end of period</b>	<b>72,160</b>	<b>37,765</b>

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

**Accrued salaries** represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight of the reporting period end. The Commission considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (See Note 6.1 'Restricted cash and cash equivalents') consists of amounts paid annually, from agency appropriations for salaries expense, into a Treasury suspense account to meet the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26. No interest is received on this account.

## South West Development Commission - 30 June 2019

### 6. Financing

This section sets out the material balances and disclosures associated with the financing and cashflows of the Commission.

	Notes
Cash and cash equivalents	6.1
Commitments	6.2
Non-cancellable operating lease commitments	6.2.1

#### 6.1 Cash and cash equivalents

	Notes	2019 \$	2018 \$
Cash and cash equivalents	6.1	703,856	703,857
Restricted cash and cash equivalents			
<i>Non-Royalties for Regions Fund Restricted cash <sup>(a)</sup></i>			
Lake Kepwari		2,666,349	2,666,349
Piction Land Development		553,160	553,160
South West Events		32,509	32,509
Tradestart		80,601	94,171
Withers Urban Renewal		670,750	670,750
Land Asset Management - SWDC		15,000	-
		4,018,369	4,016,939
<i>Royalties for Regions Fund Projects Restricted cash</i>			
Capital works Dolphin Discovery Centre		3,845	3,371,521
Regional and Statewide Initiatives		380,927	519,287
Regional Grant Scheme		256,241	256,241
Community Chest Grants scheme		34,735	34,734
Local Projects Local Jobs		-	-
Regional Investment Blueprint		-	-
		675,747	4,181,783
Accrued salaries suspense account <sup>(b)</sup>		10,822	10,822
<b>Balance at end of period</b>		<b>5,408,793</b>	<b>8,913,401</b>

<sup>(a)</sup> Cash held to be used specifically for board approved projects listed.

<sup>(b)</sup> Funds held in the suspense account used only for the purpose of meeting the 27th pay in a financial year that occurs every 11 years.



South West Development Commission - 30 June 2019

## 6.2 Commitments

### 6.2.1 Non-cancellable operating lease commitments

Commitments for minimum lease payments are payable as follows:

	2019 \$	2018 \$
Within 1 year	6,689	4,227
Later than 1 year and not later than 5 years	19,472	-
Later than 5 years	4,057	-
	<b>30,218</b>	<b>4,227</b>

### Judgements made by management in applying accounting policies - operating lease commitments

The Commission has entered into a building lease for office accommodation. This lease relates to a building of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, this lease has been classified as an operating lease.

## 7. Financial instruments and Contingencies

	Note
Financial instruments	7.1
Contingent assets	7.2.1
Contingent liabilities	7.2.2

### 7.1 Financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2019 \$	2018 \$
<b>Financial Assets</b>		
Cash and cash equivalents	703,856	703,857
Restricted cash and cash equivalents	4,704,937	8,209,544
Receivables <sup>(a)</sup>	10,000	24,764
Amounts receivable for services	1,253,000	1,253,000
<b>Total financial assets</b>	<b>6,671,793</b>	<b>10,191,165</b>
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost	72,160	37,765
<b>Total financial liability</b>	<b>72,160</b>	<b>37,765</b>

<sup>(a)</sup> The amount of receivables excludes GST recoverable from the ATO (statutory receivable).

### 7.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively. There are no contingent assets as at the end of June 2019. There are no contingent liabilities as at the end of June 2019.



## South West Development Commission - 30 June 2019

### 8. Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	Notes
Events occurring after the end of the reporting period	8.1
Initial application of Australian Accounting Standards	8.2
Key management personnel	8.3
Related party transactions	8.4
Related bodies	8.5
Affiliated bodies	8.6
Special purpose accounts	8.7
Remuneration of auditors	8.8
Equity	8.9
Supplementary financial information	8.10
Explanatory statement	8.11

#### 8.1 Events occurring after the end of the reporting period

There were no events occurring after the reporting period date that impact on the financial statements.

#### 8.2 Initial application of Australian Accounting Standards

##### *AASB 9 Financial Instruments*

AASB 9 Financial instruments replaces AASB 139 Financial instruments: Recognition and Measurement for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Commission applied AASB 9 prospectively, with an initial application date of 1 July 2018. Although the adoption of AASB 9 has resulted in changes in accounting policies, there are no adjustments to the amounts recognised in the financial statements. The transition to AASB 9 has therefore no impact on the opening balance of retained earnings. In accordance with AASB 9.7.2.15, the Commission has not restated the comparative information which continues to be reported under AASB 139

##### *Classification and measurement*

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the Commission's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Commission's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact to the Commission. The following are the changes in the classification of the Commission's financial assets:

##### *Impairment*

The adoption of AASB 9 has fundamentally changed the Commission's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Commission to recognise an allowance for ECLs for all financial assets not held at fair value through P/L.

The Commission has determined that the application of AASB 9's impairment requirements at 1 July 2018 results in no allowance for impairment.



## South West Development Commission - 30 June 2019

### 8.3 Key management personnel

The Commission has determined key management personnel to include the Chief Executive Officer, members of the accountable authority, senior officers of the Commission and the Minister that the Commission assists. The Commission does not incur expenditures to compensate Ministers and those disclosures may be found in the Annual Report on State Finances.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the Commission for the reporting period are presented within the following bands:

Compensation of members of the accountable authority	
Compensation band (\$)	
70,001 - 80,000	2019 1
60,001 - 70,000	2018 -
0 - 10,000	2019 6
	2018 7
Compensation of senior officers	
Compensation band (\$)	
250,001 - 260,000	2019 1
210,001 - 220,000	2018 -
160,001 - 170,000	2019 1
150,001 - 160,000	2018 2
130,001 - 140,000	2019 1
60,001 - 70,000	2018 -
40,001 - 50,000	2019 -
	2018 1
	2018 2

Short term employee benefits  
 Post employment benefits  
 Other long term benefits  
**Total compensation of key management personnel**

	2019	2018
	1	-
	-	1
	6	7
	1	-
	-	1
	1	2
	1	-
	1	-
	-	1
	-	2
	2019	2018
	\$	\$
	677,149	632,575
	66,810	100,750
	69,908	66,781
	<b>813,867</b>	<b>800,106</b>

### 8.4 Related party transactions

The Commission is a wholly owned public sector entity that is controlled by the State of Western Australia.

Related parties of the Commission include:

- all cabinet ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and statutory authorities, including related bodies, that are included in the whole of government consolidated financial statements (i.e. wholly-owned public sector entities);
- associates and joint ventures of a wholly-owned public sector entity; and
- the Government Employees Superannuation Board (GESB).

### Material transactions with other related parties

Outside of normal citizen type transactions with the Commission there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

### 8.5 Related bodies

The South West Development Commission had no related bodies.



## South West Development Commission - 30 June 2019

### 8.6 Affiliated bodies

The South West Development Commission has no affiliated bodies.

### 8.7 Special purpose accounts

The South West Development Commission has no special purpose accounts.

### 8.8 Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2019	2018
	\$	\$
	28,000	37,370

Auditing the accounts, financial statements controls, and key performance indicators

### 8.9 Equity

#### Contributed equity

Balance at start of period

2019	2018
\$	\$
19,991,967	19,991,967

*Contributions by owners*

Capital appropriation

3,686,910	-
-----------	---

Balance at end of period

23,678,877	19,991,967
------------	------------

#### Asset revaluation surplus

Balance at start of period

10,977,592	11,286,471
------------	------------

*Net revaluation increments/(decrements)*

Land

Buildings

Works of Art

(1,472,000)	(286,400)
455,256	(22,479)
6,300	

Balance at end of period

9,967,148	10,977,592
-----------	------------

#### Accumulated (deficit)

Balance at start of period

Result for the period

Balance at end of period

(7,635,463)	(7,741,564)
(1,315,237)	106,101
(8,950,700)	(7,635,463)

### 8.10 Supplementary financial information

#### (a) Write-offs

There were no write-offs during the financial year.

#### (b) Losses through theft, defaults and other causes

There were no losses of public money and public and other property during the financial year.

#### (c) Gifts of public property

There were no gifts of public property during the financial year.



South West Development Commission - 30 June 2019

8.11 Explanatory statement

All variances between estimates (original budget) and actual results for 2019, and between the actual results for 2019 and 2018 are shown below. Narratives are provided for key variations selected from observed major variances, which are generally greater than:

5% and \$12,560 for the Statement of Comprehensive Income and Cash Flows; and  
5% and \$409,680 for the Statement of Financial Position

8.11.1 Statement of Comprehensive Income  
Income Variances

	Variance note	Estimate 2019 \$	Actual 2019 \$	Actual 2018 \$	Variance between estimated and actual \$	Variance between actual results for 2019 and 2018 \$
<b>Expenses</b>						
Employee benefits expense	1, A	283,000	258,833	208,013	(24,167)	50,820
Supplies and services	2, B	182,000	3,136,544	2,993,619	2,954,544	142,925
Depreciation and amortisation expense	3, C	148,000	303,132	158,668	155,132	144,464
Impairment loss	4, D	-	631,521	-	631,521	631,521
Accommodation expenses	E	-	-	151,477	-	(151,477)
Grants and subsidies	5, F	-	205,000	2,831,254	205,000	(2,626,254)
Other expenses	6, G	15,000	42,935	29,181	27,935	13,754
<b>Total cost of services</b>		<b>628,000</b>	<b>4,577,965</b>	<b>6,372,212</b>	<b>3,949,965</b>	<b>(1,794,247)</b>
<b>Income</b>						
<b>Revenue</b>						
Commonwealth grants and contributions	7	-	29,889	36,876	29,889	(6,987)
Other revenue	8	-	23,282	12,628	23,282	10,654
<b>Total Revenue</b>		<b>-</b>	<b>53,171</b>	<b>49,504</b>	<b>53,171</b>	<b>3,667</b>
<b>Total income other than income from State Government</b>		<b>-</b>	<b>53,171</b>	<b>49,504</b>	<b>53,171</b>	<b>3,667</b>
<b>NET COST OF SERVICES</b>		<b>628,000</b>	<b>4,524,794</b>	<b>6,322,708</b>	<b>3,896,794</b>	<b>(1,797,914)</b>
<b>Income from State Government</b>						
Service Appropriation		223,000	223,000	223,000	-	-
Resources received free of charge	9, H	-	2,986,557	2,722,836	2,986,557	263,721
Royalties for Regions Fund	10, I	257,000	-	3,482,973	(257,000)	(3,482,973)
<b>Total income from State Government</b>		<b>480,000</b>	<b>3,209,557</b>	<b>6,428,809</b>	<b>2,729,557</b>	<b>(3,219,252)</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>(148,000)</b>	<b>(1,315,237)</b>	<b>106,101</b>	<b>(1,167,237)</b>	<b>(1,421,338)</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
<b>Items not reclassified subsequently to profit or loss</b>						
Changes in asset revaluation reserve	11, J	-	(1,010,444)	(308,879)	(1,010,444)	(701,565)
<b>Total other comprehensive income (loss)</b>		<b>-</b>	<b>(1,010,444)</b>	<b>(308,879)</b>	<b>(1,010,444)</b>	<b>(701,565)</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>		<b>(148,000)</b>	<b>(2,325,681)</b>	<b>(202,778)</b>	<b>(2,177,681)</b>	<b>(2,122,903)</b>

South West Development Commission - 30 June 2019

8.11.2 Statement of Financial Position  
Variances

**ASSETS**

Current Assets

	Variance note	Estimate 2019 \$	Actual 2019 \$	Actual 2018 \$	Variance between estimated and actual \$	Variance between actual results for 2019 and 2018 \$
Cash and cash equivalents		704,000	703,856	703,857	(144)	(1)
Restricted cash and cash equivalents	12, K	8,118,000	4,694,115	8,198,722	(3,423,885)	(3,504,607)
Receivables		-	16,334	63,518	16,334	(47,184)
Other current assets		-	-	406	-	(406)
Amounts receivable for services		-	-	-	-	-
<b>Total Current Assets</b>		<b>8,822,000</b>	<b>5,414,305</b>	<b>8,966,503</b>	<b>-3,407,695</b>	<b>(3,552,198)</b>

Non-Current Assets

Restricted cash and cash equivalents		-	10,822	10,822	10,822	-
Amounts receivable for services	13	47,000	1,253,000	1,253,000	1,206,000	-
Infrastructure, property, plant and equipment	14, L	11,615,000	18,089,358	13,141,941	6,474,358	4,947,417
Intangible assets		-	-	-	-	-
<b>Total Non-Current Assets</b>		<b>11,662,000</b>	<b>19,353,180</b>	<b>14,405,763</b>	<b>7,691,180</b>	<b>4,947,417</b>
<b>TOTAL ASSETS</b>		<b>20,484,000</b>	<b>24,767,485</b>	<b>23,372,266</b>	<b>4,283,485</b>	<b>1,395,219</b>

**LIABILITIES**

Current Liabilities

Payables		-	72,160	37,765	72,160	34,395
Provisions		17,220	-	405	(17,220)	(405)
<b>Total Current Liabilities</b>		<b>17,220</b>	<b>72,160</b>	<b>38,170</b>	<b>54,940</b>	<b>33,990</b>

Non-Current Liabilities

Provisions		29,300	-	-	(29,300)	-
<b>Total Non-Current Liabilities</b>		<b>29,300</b>	<b>-</b>	<b>-</b>	<b>(29,300)</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>46,520</b>	<b>72,160</b>	<b>38,170</b>	<b>25,640</b>	<b>33,990</b>
<b>NET ASSETS</b>		<b>20,437,480</b>	<b>24,695,325</b>	<b>23,334,096</b>	<b>4,257,845</b>	<b>1,361,229</b>

**EQUITY**

Contributed equity	15, M	-	23,678,877	19,991,967	23,678,877	3,686,910
Reserves	16, N	-	9,967,148	10,977,592	9,967,148	(1,010,444)
Accumulated surplus/(deficit)	17, O	20,437,000	(8,950,700)	(7,635,463)	(29,387,700)	(1,315,237)
<b>TOTAL EQUITY</b>		<b>20,437,000</b>	<b>24,695,325</b>	<b>23,334,096</b>	<b>4,258,325</b>	<b>1,361,229</b>



South West Development Commission - 30 June 2019

8.11.3 Statement of Cash Flows Variances

	Variance note	Estimate 2019 \$	Actual 2019 \$	Actual 2018 \$	Variance between estimated and actual \$	Variance between actual results for 2019 and 2018 \$
<b>CASH FLOWS FROM STATE GOVERNMENT</b>						
Service appropriation		223,000	223,000	223,000	-	-
Capital appropriation	18, P	6,235,000	3,686,910	-	(2,548,090)	3,686,910
Royalties for Regions Fund	10, Q	257,000	-	3,482,973	(257,000)	(3,482,973)
<b>Net cash provided by State Government</b>		<b>6,715,000</b>	<b>3,909,910</b>	<b>3,705,973</b>	<b>(2,805,090)</b>	<b>203,937</b>
Utilised as follows:						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<u>Payments</u>						
Employee benefits	19, R	(283,000)	(244,474)	(859,570)	38,526	615,096
Supplies and services	20, S	(182,000)	(116,031)	(419,559)	65,969	303,528
Accommodation	E	-	-	(151,477)	-	151,477
Grants and subsidies	5, T	-	(205,000)	(2,831,254)	(205,000)	2,626,254
GST payments on purchases	21, U	-	(722,113)	(565,187)	(722,113)	(156,926)
Other payments	6, G	(15,000)	(42,935)	(29,181)	(27,935)	(13,754)
<u>Receipts</u>						
Commonwealth grants and contributions	7	-	29,889	36,876	29,889	(6,987)
GST receipts on sales		-	5,287	4,937	5,287	350
GST receipts from taxation authority	22, V	-	750,092	635,861	750,092	114,231
Other receipts	8	-	23,282	12,628	23,282	10,654
<b>Net cash provided by/(used in) operating activities</b>		<b>(480,000)</b>	<b>(522,003)</b>	<b>(4,165,926)</b>	<b>(42,003)</b>	<b>3,643,923</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<u>Payments</u>						
Purchase of non-current assets	23, W	-	(6,892,515)	(2,762,978)	(6,892,515)	(4,129,537)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>-</b>	<b>(6,892,515)</b>	<b>(2,762,978)</b>	<b>(6,892,515)</b>	<b>(4,129,537)</b>
Net increase/(decrease) in cash and cash equivalents		6,235,000	(3,504,608)	(3,222,931)	(9,739,608)	(281,677)
Cash and cash equivalents at the beginning of the period		2,586,000	8,913,401	12,136,332	6,327,401	(3,222,931)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>8,821,000</b>	<b>5,408,793</b>	<b>8,913,401</b>	<b>(3,412,207)</b>	<b>(3,504,608)</b>

## South West Development Commission - 30 June 2019

From the 1st of July 2017 as part of the recent Machinery of Government (MoG) changes, all Regional Development Commissions (RDCs) employees were transferred to Department of Primary Industries and Regional Development (DPIRD) except for the Chief Executive Officers (CEOs). Under this new arrangement DPIRD provides the Commission with the necessary supplies and services to support the Accountable Authority of the Commission in the fulfilment of its statutory functions and obligations under the *Regional Development Commissions Act 1993*.

For the 2018/19 the Commission's Section 40 budget was set to only reflect board related costs, CEO salaries and travel costs, legacy projects and grants. This has resulted in a budget variance by not accounting for the value of services provided free of charge by DPIRD in the Commission's original budget. This support service is recognised as expenditure incurred by the Commission representing full cost of service by the Statutory Authority.

### Major Estimates and Actuals (2019) Variance Narratives

- 1 Employee benefits expenses variance of \$24,167 is due to travel budgeted for as employee benefits and actual travel expenses being costed to supplies and services. No actual variance exists between travel expenditure to its budget.
- 2 Supplies and services expense variance of \$2,954,544 is a result of the Commission's Section 40 budget not accounting for services provided free of charge (\$2,986,557) by DPIRD in the 2018-19 financial year.
- 3 Depreciation and amortisation expense variance of \$155,132 is a result of the completion and capitalisation (\$131,806) of the Transforming Bunbury's Waterfront project in 2018-19 financial year.
- 4 Impairment loss variance of \$631,521 is a result of impairment of Pemberton Hydro Power Station in 2018-19 financial year.
- 5 Grants and subsidies expense variance of \$205,000 is due to increases in grants expenditure related to approved carry over funds from 2017-18 financial year.
- 6 Other expenses variance of \$27,935 is due to a payment (\$29,888) related to the TradeStart (legacy) project to DPIRD in 2018-19 financial year
- 7 Commonwealth grants and contributions variance of \$29,889 is due to receipting TradeStart (legacy) project funding to DPIRD in 2018-19 financial year
- 8 Other revenue variance of \$23,282 is due to funds received from Water Corporation relating to land easement project in 2018-19 financial year
- 9 Resources received free of charge variance of \$2,986,557 is a result of the Commission's Section 40 budget not accounting for services provided free of charge by DPIRD in the 2018-19 financial year.
- 10 Royalties for Regions (RfR) Fund variance of \$257,000 is due to the Commission's utilising retained cash to fund operational activities for 2018-19 financial year.
- 11 Changes in asset revaluation reserve variance of \$1,010,444 is due to the revaluation of land and buildings for Transforming Bunbury's Waterfront project during 2018-19 financial year. Upon completion in 2018-19 the land and building is now valued at fair value for restricted use land and special purpose building.



- 12 Restricted cash and cash equivalents variance of \$3,423,885 is due to the Commission's utilising carry over funds from previous financial year related Transforming Bunbury's Waterfront project in 2018-19 financial year.
- 13 Amounts receivable for services variance of \$1,206,000 is a result of not accounting for this item in the 2018-19 Section 40 budget.
- 14 Infrastructure, property, plant and equipment was higher than estimated by \$6,474,358 due to the completion and capitalisation of the Transforming Bunbury's Waterfront project in 2018-19 financial year.
- 15 Contributed equity budget variance of \$23,678,877 due to this budget being combined under the Accumulated surplus/(deficit) item.
- 16 Reserves budget variance of \$9,787,148 is due to the budget being combined under the Accumulated surplus/(deficit) item and due to the revaluation of land and buildings during 2018-19 financial year.
- 17 Accumulated surplus/(deficit) budget variance of \$29,207,700 is due to Contributed equity and Reserves budgets included under this item.
- 18 Capital appropriation variance of \$2,548,090 is due to budget relating Transforming Bunbury's Waterfront project being overstated by the cash carry over funds from the previous financial year.
- 19 Employee benefits variance of \$38,526 is due to travel budgeted for as employee benefits and actual travel expenses being costed to supplies and services. No actual variance exists between travel expenditure to its budget.
- 20 Supplies and services variance of \$65,969 is due to the timing of payment of trade payable
- 21 GST payments on purchases variance of \$722,113 is a result of not accounting for this item in the 2018-19 Section 40 budget.
- 22 GST receipts from the taxation authority exceeded estimates by \$750,092 is a result of not accounting for this item in the 2018-19 budget.
- 23 Purchase of non-current assets variance of \$6,892,515 is relating to the Transforming Bunbury's Waterfront project and not accounting for this item in the 2018-19 Section 40 budget.

## South West Development Commission - 30 June 2019

### Major Actuals (2019) and Comparative (2018) Variance Narratives

- A Employee benefits expense increased by \$50,820 mainly due to increase in staff accommodation and FBT expense.
- B Supplies and services increase by \$142,925 due to higher services provided free of charge from DPIRD in 2018-19 financial year.
- C Depreciation and amortisation expense increase by \$144,464 is a result of the completion and capitalisation (\$131,806) of the Transforming Bunbury's Waterfront project in 2018-19 financial year.
- D Impairment loss increased by \$631,521 due to impairment of Pemberton Hydro Power Station in 2018-19 financial year.
- E Accommodation expenses decreased by \$151,477 due to funding arrangement from the MoG changes and the transfer of lease from the Commission to DPIRD in 2017-18 financial year..
- F Grants and subsidies expense decreased by \$2,626,254 due to the completion of RfR legacy projects in 2017-18 financial year.
- G Other expenses increased by \$ 13,754 due to transfer of funds relating TradeStart (legacy) project to DPIRD in 2018-19 financial year.
- H Resources received free of charge increased by \$263,721 due to higher services provided free of charge from DPIRD in 2018-19 financial year.
- I Royalties for Regions (RfR) funds decreased by \$3,482,973 is due to the completion of fundings for legacy projects in 2017-18 financial year
- J Changes in asset revaluation reserve decreased by \$701,565 is due to the revaluation of land and buildings in 2018-19 financial year.
- K Restricted cash and cash equivalents decreased by \$3,504,607 due to the Commission's utilising carry over funds from previous financial year related Transforming Bunbury's Waterfront project in 2018-19 financial year.
- L Infrastructure, property, plant and equipment increased by \$4,947,417 due to increase of building from the completion and capitalisation of the Transforming Bunbury's Waterfront project and decrease of infrastructure from impairment of Pemberton Hydro Power Station during 2018-19 financial year.
- M Contributed equity increased by \$3,686,910 due to the capital injections received in 2018-19 financial year for Transforming Bunbury's Waterfront project.
- N Reserves decreased by \$1,010,444 is due to the revaluation of land and buildings for Transforming Bunbury's Waterfront project during 2018-19 financial year. Upon completion in 2018-19 the land and building is now valued at fair value for restricted use land and special purpose building.
- O Accumulated surplus/(deficit) decreased by \$1,315,237 is due to the result for the period.
- P Capital appropriation increased by \$3,686,910 due to the capital injections received for Transforming Bunbury's Waterfront project in 2018-19 financial year
- Q Royalties for Regions (RfR) funds decreased by \$3,482,973 due to the completion of fundings for legacy projects in 2017-18 financial year.



- R Employee benefits decreased by \$ 615,096 due to the cash transfer of leave liability in 2017-18 to DPIRD.
- S Supplies and services decreased by \$ 303,528 due to various services are provided by DPIRD since MoG transition.
- T Grants and subsidies expense decreased by \$2,626,254 due to the completion of legacy projects in 2017-18 financial year
- U GST payments on purchases increased by \$156,926 due to GST paid on capital purchase of Transforming Bunbury's Waterfront project during 2018-19 financial year.
- V GST receipts from taxation authority increased by \$114,231 due to GST claimed on capital purchase of Transforming Bunbury's Waterfront project during 2018-19 financial year.
- W Purchase of non-current assets increased by \$4,129,537 due to the completion and capitalisation of the Transforming Bunbury's Waterfront project during 2018-19 financial year.

**SOUTH WEST DEVELOPMENT COMMISSION  
KEY PERFORMANCE INDICATORS  
For the year ended 30 June 2019**

---

**CERTIFICATION OF KEY PERFORMANCE INDICATORS**

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the South West Development Commission's performance, and fairly represent the performance of the South West Development Commission year ended 30 June 2019.



**Nick Belyea**  
Chairman of the Board  
18 September 2019



**Ashley Clements**  
A/Chief Executive Officer  
18 September 2019







## **SOUTH WEST DEVELOPMENT COMMISSION KEY PERFORMANCE INDICATORS For the year ended 30 June 2019**

---

### **KEY PERFORMANCE INDICATORS For the year ended 30 June 2019.**

#### **DESIRED OUTCOME**

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

#### **Key Service:**

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

#### **RELATIONSHIP WITH GOVERNMENT POLICY**

The South West Development Commission delivers its services through four strategic themes: Investing in People and Place, Investing in Infrastructure, Investing in Industry and Business, and Investing in Community.

These four strategic themes integrate together to provide a balanced approach to regional development. They are also aligned with the State Government's strategic planning framework, 'Stronger Focus on the Regions', with greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and regional areas.

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

## SOUTH WEST DEVELOPMENT COMMISSION KEY PERFORMANCE INDICATORS For the year ended 30 June 2019

### KEY EFFECTIVENESS INDICATOR

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

#### Client Satisfaction Survey 2019

As part of the performance management component of the Commission's strategic planning process, independent research consultancy firm, Advantage Communications - Research, was employed to undertake the 2019 SWDC Client Satisfaction Survey. Key stakeholders were surveyed to determine their views and understanding of the Commission's role, activities and performance.

For all survey periods since 2003, two distinct sample populations have been identified – local governments and key clients.

This year involved using an online self-completion and telephone interview methodologies. The contacts were sent an email invitation to complete the annual client survey online. The survey questionnaire was distributed to 324 clients, including local government representatives (22). A total of 179 clients were interviewed via an online survey or phone. This results is a maximum sampling error of +/- 4.91 per cent at 95 per cent level of confidence.

Of the 179 responses received, a total of 19 local government representatives responded out of 22 equating to a response rate of 86.4 per cent. Overall 160 key clients responded out of the 302 equating to 53.0 per cent.

87 per cent of responses agreed the Commission's Advocacy for the region needs as 'effective' for 2018-19.

#### Effectiveness of the South West Development Commission

(1 = strongly disagree to 7 = strongly agree)

	2018-19		2017-18		2017-16		2016-15		2015-14	
	Agree	Mean	Agree	Mean	Agree	Mean	Agree	Mean	Agree	Mean
Target	90%	n/a	90%	n/a	85%	n/a	80%	n/a	80%	n/a
Total Client Average	87%	5.80	86%	5.79	90%	6.23	90%	6.18	91%	6.24
Key Clients	88%	5.85	86%	5.81	90%	6.24	90%	6.17	90%	6.23
Local Governments	83%	5.44	88%	5.56	93%	6.18	88%	6.22	93%	6.26



## SOUTH WEST DEVELOPMENT COMMISSION KEY PERFORMANCE INDICATORS For the year ended 30 June 2019

### SERVICE: REGIONAL DEVELOPMENT

#### KEY EFFICIENCY INDICATOR

##### Average cost per hour of service

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

Average cost per hour		Note	2018-19
Operating cost	1		\$4,372,965
Project / service hours	2		26,030
Cost per hour	3		\$158.00
Target	4		\$222

#### Notes on variance between reporting periods

**Note 1:** Operating cost information is sourced from the Statement of Comprehensive Income excluding grants and subsidies. This year's cost to the Commission included a once off impairment charge of \$631,521 being the carrying value of the Pemberton Hydro Power Station written off in the year and an increase in depreciation by \$131,806 relating to the completion of the Transforming Bunbury's Waterfront project. Fluctuations are to be expected given the variable nature of project costs associated with projects managed by the Commission.

This year the methodology for calculating project hours was changed to be consistent across all commissions. As such, all hours engaged in projects and supporting projects are included. To provide comparability with prior years, excluding the impairment charge (an extraordinary expense), and using only hours spent on projects the cost would have equated to \$173 per hour for 2018-19

During the financial year project works undertaken include:

- Collier Futures program design, coordination and delivery
- Bunbury Development Committee coordination and project delivery (including Transforming Bunbury's Waterfront (Stage 1) Withers Revitalisation; Mangrove Cove),
- Busselton Margaret River Airport redevelopment project
- Manjimup Supertown projects
- Margaret River Perimeter Road and Main Street projects
- Halifax Business Park
- Donnybrook Town Centre Revitalisation
- Easton/Australind Waterfront Historic Walk Trail
- TradeStart (export facilitation program and services)
- South West Angel Investor program

## SOUTH WEST DEVELOPMENT COMMISSION KEY PERFORMANCE INDICATORS For the year ended 30 June 2019

- 
- Wine Tourism program
  - Creative Industry program (including Regional Film Fund)
  - Local Content Program
  - *Local Projects* Local Jobs funded projects
  - Regional Economic Development Grants

*Note 2: The original methodology calculated Project hours from employees' individual time sheets whereas the new methodology includes all working hours from the payroll system.*

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

*Note 4: The target cost per hour is an estimated figure based on expected staffing levels, project activities and strategic planning.*





**South West Development Commission**

61 Victoria Street Bunbury WA 6230

PO Box 2000 Bunbury WA 6231

Phone: +61 08 9792 2000

Email: [info@swdc.wa.gov.au](mailto:info@swdc.wa.gov.au)

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

**Get social**

- [www.facebook.com/swdc.wa.gov.au](https://www.facebook.com/swdc.wa.gov.au)
- [www.instagram.com/swdc\\_insider/#RegionalDevelopmentWA#swdc](https://www.instagram.com/swdc_insider/#RegionalDevelopmentWA#swdc)



Department of  
**Primary Industries and  
Regional Development**

