

## Financial Targets

	2010-11 (1) Target \$'000	2010-11 Actual \$'000	Variation (2) \$'000
Total cost of services (expense limit) (Sourced from Statement of Comprehensive Income)	13,058	13,075	17
Net cost of services (Sourced from Statement of Comprehensive Income)	12,255	11,987	268 (a)
Total equity (Sourced from Statement of Financial Position)	1,173	1,390	216 (b)
Net increase/(decrease) in cash held. (Sourced from Statement of Cashflows)	(9)	1,443	1,434 (c)
Approved Full Time Equivalent (FTE) Staff Level	56	50	6 (d)

(1) As specified in the 2010-11 Budget Statements (Budget Paper No 2 Volume 3) Pages 881 to 888.

(2) Further explanations are contained in Note 34 "Explanatory Statement" to the financial statements.

(a) Generally the variance relates to unbudgeted income received from Tourism WA (\$300k) for mainstream and Indigenous tourism small business programs.

(b) The variation relates mainly to a greater than expected surplus for the year.

(c) The increase in cash held is the result of the deferral of a number of programs to accommodate future costs relating to the establishment of the WA Small Business Commissioner and associated dispute resolution and mediation services.

(d) The reduction relates to the transfer of the Skilled Migration Program to the Department of Training and Workforce Development subsequent to the release of the 2010/11 budget.

# Independent Audit Opinion



## Auditor General

### **INDEPENDENT AUDITOR'S REPORT**

**To the Parliament of Western Australia**

### **SMALL BUSINESS DEVELOPMENT CORPORATION**

#### **Report on the Financial Statements**

I have audited the accounts and financial statements of the Small Business Development Corporation.

The financial statements comprise the Statement of Financial Position as at 30 June 2011, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

#### *Corporation's Responsibility for the Financial Statements*

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

#### *Auditor's Responsibility*

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Corporation, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Small Business Development Corporation at 30 June 2011 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

## Small Business Development Corporation

### Report on Controls

I have audited the controls exercised by the Small Business Development Corporation. The Corporation is responsible for ensuring that adequate control is maintained over the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Corporation based on my audit conducted in accordance with Australian Auditing Standards.

### Opinion

In my opinion, the controls exercised by the Small Business Development Corporation 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.

### Report on the Key Performance Indicators

I have audited the key performance indicators of the Small Business Development Corporation. The Corporation 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.

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing Standards.

### Opinion

In my opinion, the key performance indicators of the Small Business Development Corporation are relevant and appropriate to assist users to assess the Corporation's performance and fairly represent indicated performance for the year ended 30 June 2011.

### Independence

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and the Australian Auditing Standards, and other relevant ethical requirements.



COLIN MURPHY  
AUDITOR GENERAL  
13 September 2011

# Certification of Performance Indicators

## CERTIFICATION OF KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2011

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Small Business Development Corporation's performance, and fairly represent the performance of the Small Business Development Corporation for the financial year ended 30 June 2011.



R. MOUNTNEY  
CHAIRMAN



J. FINLAYSON  
ACTING MANAGING DIRECTOR

7 SEPTEMBER 2011

## Performance Indicators

The Small Business Development Corporation (SBDC) operates under the broad high level government strategic goal “*to responsibly manage the State’s finances through the efficient and effective delivery of services, encourage economic activity and reduce regulatory burdens on the private sector*”. To meet this goal, SBDC’s mission is “*to create opportunity and wealth for small to medium sized businesses in Western Australia*”.

SBDC’s outcome and services that link with this government goal are shown in the table below.

Government Goal	Desired Outcome	Services
Financial and Economic Responsibility: Responsible managing the State’s finances through the efficient and effective delivery of services, encouraging economic activity and reducing regulatory burdens on the private sector.	Development of new and existing small business in Western Australia.	Information, guidance, referral and business development services.

In 2010-11, SBDC achieved this desired outcome by:

*The provision of specialised information, referral and business facilitation services for the effective development of enterprises in Western Australia.*

The following outlines the key effectiveness and efficiency indicators that have been developed to measure SBDC’s performance.

### Key Effectiveness Indicators

The effectiveness of the SBDC in meeting its *outcome* is measured by:

- Client surveys with key stakeholder groups, namely:
  - Small business owners - those who are already operating their own business, and
  - Small business starters - those planning or contemplating operating a business in the future.
- The impact of migration to the State, namely:
  - New businesses planned by business migrants, and
  - Migrants with specialised skills planning on entering Western Australia.

## Client opinion of the services provided by SBDC

The SBDC provides a range of small business services to those in business as well as those planning on starting or buying a business. (Refer Report on Operations for details of these services). The SBDC also provides core business facilitation services in major centres across the State through the provision of funding for the network of 25 Small Business Centres (SBCs). The effectiveness of small business services is measured by client surveys of those who have contacted the SBDC and SBCs during 2010-11.

Key effectiveness indicators used to measure SBDC's performance in achieving its desired outcome are subject to regular review, with indicators refined to reflect the services delivered to key client groups.

Key effectiveness indicators are:

- Usefulness of the information and guidance provided (asked of all client contacts surveyed);
- Contribution the service made to an informed decision to start or buy a business (asked only of those who were planning or contemplating starting or buying a business);
- The extent the information or guidance benefited the operations of the business (asked of all business clients who had met with a SBC manager or with a SBDC adviser); and
- The value of the guidance or information received (asked of all business clients who had met with a SBC manager, had visited the Business Information and Licence Centre or met with a SBDC adviser).

The measures reported below are based on two telephone surveys conducted during 2010-11 of random samples of SBDC and SBC clients. They have been carried out by an independent market research company to ensure maximum objectivity<sup>1</sup>. Results from an evaluation of all those who had attended workshops at the SBDC, and a survey of those who had visited the SBDC or Business Licence Centre websites were also taken into account where appropriate.

<sup>1</sup> The performance evaluation for 2010-11 where clients were contacted by telephone was undertaken by Advantage Communications and Marketing. Telephone surveys were undertaken with random selections of clients who had directly sought information and guidance during 2010-11. 650 client surveys were achieved to give a maximum standard error ratio of + / - 3.8% at the 95% confidence level. Overall, 79% of respondents contacted agreed to participate in the survey. The valid sample for each service area was as follows:

Table 1: Summary of clients surveyed as part of SBDC's 2010-11 performance evaluation.

	Business Operators			Business Starters			Total Sample		
	2008 - 09	2009 - 10	2010 - 11	2008 - 09	2009 - 10	2010 - 11	2008 - 09	2009 - 10	2010 - 11
<b>Clients - Direct advice</b>									
<i>Small Business Services</i>	96	112	107	104	88	93	200	200	200
<i>Business Information and Licence Centre</i>	49	36	45	151	164	155	200	200	200
<i>Workshop attendees<sup>1</sup></i>	571	547	503	812	954	1272	1383	1501	1775
<i>Web-site visitors<sup>2</sup></i>	33	13	-	75	17	-	154	41	-
<i>Small Business Centres</i>	60	53	136	140	147	114	200	200	250
<b>Total</b>	<b>809</b>	<b>761</b>	<b>791</b>	<b>1282</b>	<b>1370</b>	<b>1634</b>	<b>2137</b>	<b>2142</b>	<b>2425</b>

<sup>1</sup> All 2,198 who had attended a Program Workshop at the SBDC in 2010-11 were asked to complete an evaluation at the end of the workshop, with 1,775 (or 81%) of all attendees completing a survey form and nominating if they were in business or planning or contemplating starting a business.

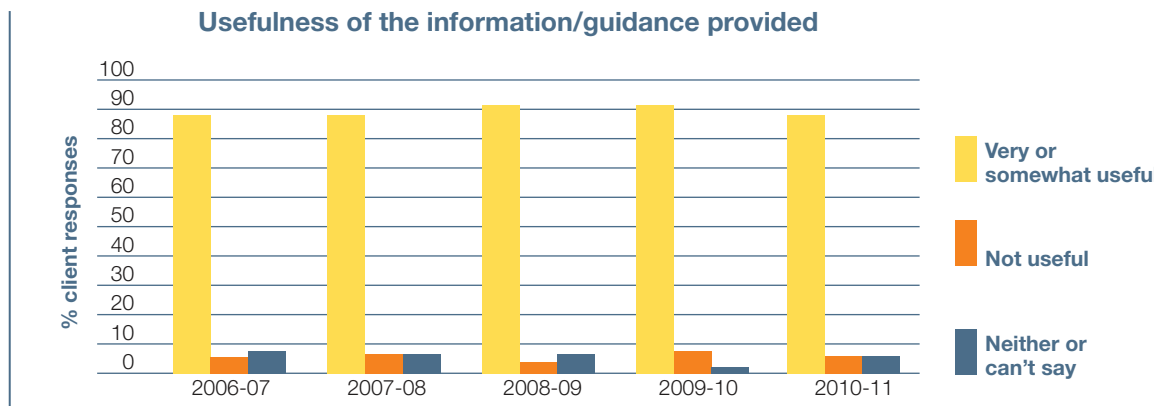
<sup>2</sup> In view of the recent redevelopment of the SBDC websites and low website survey participation rates, visitors to our websites were not surveyed in 2010/11. It is proposed that a redesigned satisfaction survey will be implemented in 2011-12. For 2009/10, 41 visitors to SBDC's websites ([www.sbdc.com.au](http://www.sbdc.com.au) or [www.licence.sbdc.com.au](http://www.licence.sbdc.com.au)) completed the evaluation survey, with 30 (or 73%) noting they were in business or planning on starting a business.

The effectiveness measures reported below combine the client scores of both the SBDC and the SBC network. High customer satisfaction with services has been maintained over several years with indicators measured in 2010-11 showing no statistically significant shifts at the 95% confidence level in comparison with the previous three years.

### Usefulness of the information or guidance provided

All clients surveyed were asked – “How would you rate the usefulness of the information / guidance provided to you?”

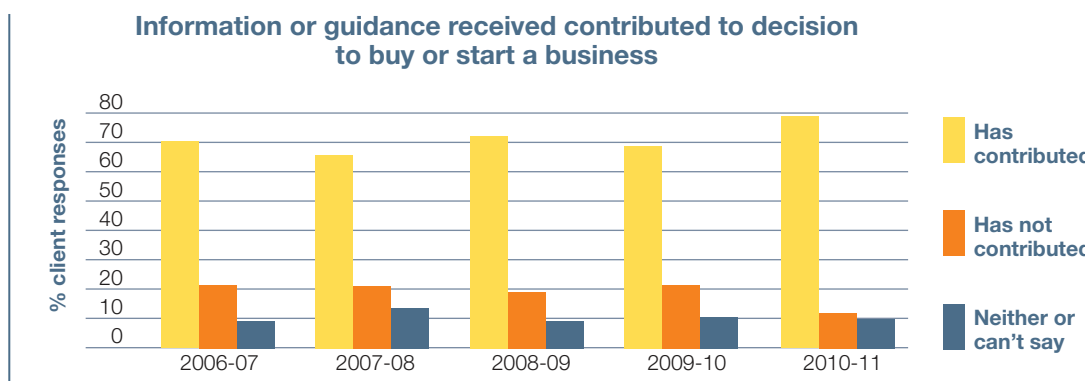
The evaluation showed the usefulness of the information / guidance provided to both business starters and established operators showed a minor reduction against previous years, with 88% of clients rating it as very or somewhat useful in 2010-11 compared to 91% in 2009-10 and 2008-09, and 88% in 2007-08 and 2006-07. The target for 2010-11 was 90%.



### Contribution of service to start-up decisions

All clients interviewed who were either contemplating, planning or in the process of starting or buying a business were asked – “Would you say your contact with the SBDC / SBC directly contributed to you making an informed decision about starting or buying your business?”

There was a substantial increase of 9% compared to the last year in the number of business starters who believed the services of the SBDC / SBCs had directly contributed to their decision to start or buy a business. In 2010-11, 78% gave a positive response compared to 69% in 2009-10, 72% in 2008-09, 66% in 2007-08, and 70% in 2006-07. The target for 2010-11 was 69%.

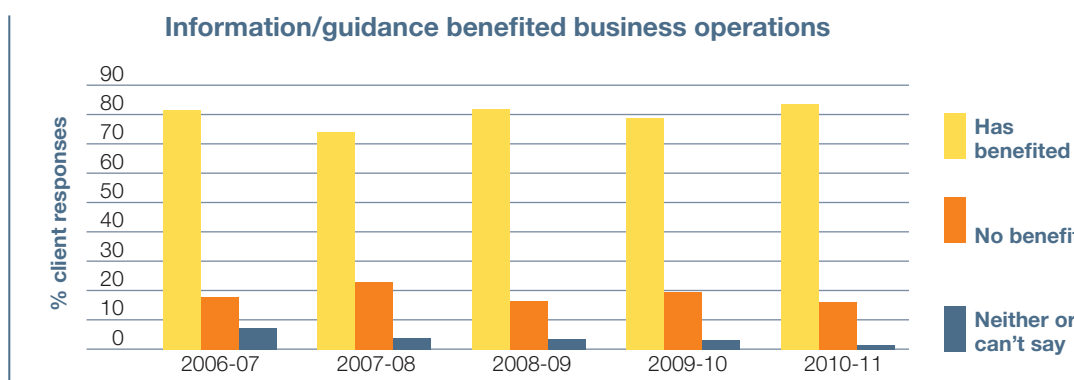


### The benefit of the information or guidance received on business operations

All clients who were in business and had met with a Small Business Centre manager or a Small Business Services adviser (that is they had longer than a brief telephone conversation) were asked:

“To what extent has the information or guidance received benefited the operations of your business?”

Overall, 84% of business owners said the information or advice had benefited the operations of their business to a great, or to some extent. This represents an increase of 5% against the 2009-10 result of 78%. The target for 2010-11 was 79%.

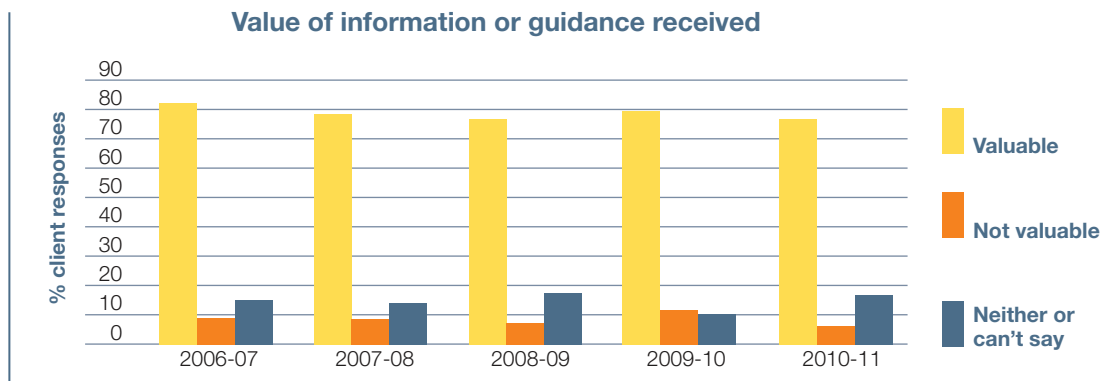


### Value of the information / guidance received.

All business clients interviewed who had met with a Small Business Centre manager or a Small Business Services adviser or had contacted the Business Information and Licence Centre were asked:

*“How would you rate the value of the information or guidance you received?”*

Overall, 77% of those surveyed said they valued the information or guidance received, a reduction to that achieved in 2009-10 (79%) and 2006-07 (83%) but similar to 2007-08 and 2008-09 (78% and 76% respectively). The target for 2010-11 was 79%.



### Impact of Business Migration on the State

#### Business Migration Program

The key role of the Business Migration Program is to attract business migrants to Western Australia to contribute to its economic well being through the attraction of new capital investment.

The Program is a successful investment attraction initiative for Western Australia. Business migrants make a significant contribution to the State's economic prosperity by being a leading source of new capital, business establishment, export income and employment generation.

In 2010/11, the SBDC granted State sponsorship approval for 267 new business migrants, and registration for a further 18 new business migrants for an unsponsored visa from China, South Africa, the UK, Malaysia, Singapore and over 30 other countries to invest in Western Australia. The economic benefit to the State from these migrants moving to Western Australia over the next 24 to 36 months is expected to be a capital inflow of over \$320 million including \$132 million invested in business and \$38 million in State Treasury Bonds. Table 1 below shows the potential economic benefit of the business migration program if migration eventuates.

**Table 1: Proposed Economic Benefits from Business Visa Applicants**

	2007-08	2008-09	2009-10	2010-11
Total capital inflow	\$640,061,000	\$561,747,129	\$568,634,379	\$320,607,085
Capital invested in business	\$253,144,000	\$238,509,801	\$241,083,560	\$132,222,836
Number of jobs created	1,216	1043	995	568

From 1 July 2010 to 30 June 2011, 139 business migrants were granted State sponsorship, and a further 16 business migrants registered for an unsponsored visa confirmed their investment in Western Australia. Table 2 below shows the confirmed economic benefit of the business migration program to Western Australia for this period. In the future confirmed investment figures will be used for Key Performance Indicators as they represent the actual impact on the State's economy for the financial year under review.

**Table 2: Confirmed Investment from Permanent Residency Business Visa Holders**

	2007-08	2008-09	2009-10	2010-11
Total Capital Inflow	\$278,815,897	\$221,299,736	\$267,664,550	\$293,437,685
Capital In Business	\$167,259,333	\$65,213,071	\$71,899,383	\$109,194,262
WA Treasury Bonds	\$2,250,000	\$6,000,000	\$12,000,000	\$18,750,000
Jobs Created	362	447	254	227
Businesses Exporting	12	18	30	20

### Customer Service Index

The Customer Service Index was introduced to measure the extent to which the SBDC and the SBC network satisfied customer inquiries and requests for assistance. Questions asked were included in the Performance Evaluation Survey. The Customer Service Index comprises five individual performance indicators focusing on both the process and outcomes of providing services to clients.

The Customer Service Index rating of 90% in 2010-11 compares favourably against the scores achieved in the previous years (91% in 2009-10, 92% in 2008-09, 87% in 2007-08 and 89% in 2006-07. The target for 2010-11 was 90%

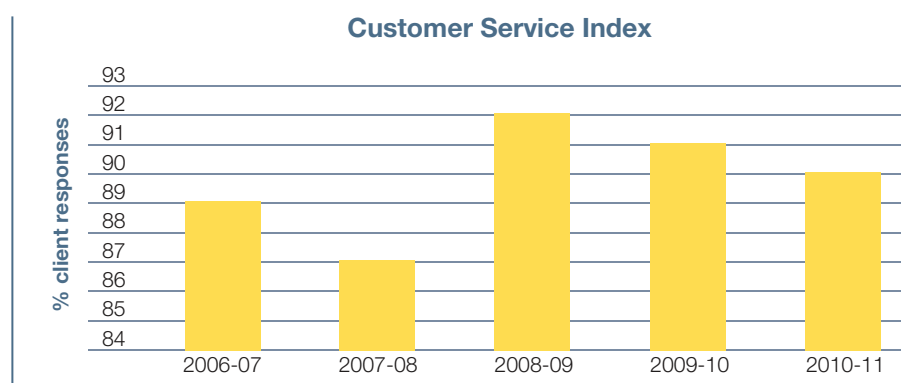


Table 3: Indicators showing the positive response that comprise the Customer Service Index over the last five years along with the target for 2010-11 are shown in the table below.

	2006-07 %	2007-08 %	2008-09 %	2009-10 %	2010-11 %	2010-11 Target
<b>Usefulness:</b> How useful was the information and guidance provided to you?	88	88	91	91	88	<b>90</b>
<b>Business operations:</b> To what extent has the information or guidance received benefited the operations of your business?	81	73	81	78	84	<b>79</b>
<b>Access:</b> Would you describe the task of accessing the service as being easy or difficult?	95	91	96	93	94	<b>94</b>
<b>Service:</b> How would you rate the overall level of customer service provided by the staff?	92	91	96	95	93	<b>94</b>
<b>Repeat:</b> Would you use the service(s) again if the need arose?	91	93	94	96	93	<b>94</b>
<b>Customer Service Index</b>	<b>89</b>	<b>87</b>	<b>92</b>	<b>91</b>	<b>90</b>	<b>90</b>

## Efficiency Indicators

Efficiency Indicators relate outputs to the level of resource inputs required to produce them. The key efficiency indicators for SBDC's one Output are set out below.

### OUTPUT: Information, Guidance, Referral and Business Development Services

*Provision of specialised information, referral and business facilitation services for the effective development of enterprises in Western Australia.*

Four Efficiency Indicators are provided. The score for each Indicator as well as the comparative scores set in 2009-10, 2008-09, 2007-08 and 2006-07 along with the target for 2010-11 are set out below.

EFFICIENCY INDICATORS	2010-11 Target	2010-11 Actual		2009-10	2008-09	2007-08	2006-07
<u>Cost for direct client contacts</u> Number of direct client contacts / equivalents <sup>2</sup>	\$18.82	<u>\$6,838,601</u> 199,964	\$34.20	\$25.73	\$18.87	\$23.97	\$22.20
<u>Cost of indirect client contacts</u> Number of indirect client contacts <sup>3</sup>	\$2.16	<u>\$186,458</u> 57,959	\$3.22	\$2.34	\$ 2.36	\$2.20	\$2.10
<u>Cost of SBC services<sup>4</sup></u> Number of SBC client contacts	\$96.39	<u>\$4,757,176</u> 51,708	\$92.00	\$75.81	\$84.81	\$95.01	\$112.21
Policy Advice <sup>5</sup>	\$1,447,358	\$1,292,736		\$1,322,430	\$1,254,049	\$1,384,579	\$1,356,443

The target for 2010-11 is as published in the 2010-11 Budget Statements (Budget Paper No 2 Volume 3) Page 884.

<sup>2</sup> Number of direct client contacts is as specified in the Output Measures (refer Report on Operations) namely: Clients – **direct advice** (188,655) plus the number of '**equivalent direct clients**' serviced through the provision of grant money (11,309) equals 199,964

Explanation:

**Direct client contacts** have contacted the SBDC for guidance or information either by a personal visit, by telephone or have visited SBDC web-sites for four minutes or more, or the BLIS web-site for two minutes or more.

**Grants** are given under the *Dry Seasons Assistance Scheme (DSAS) 2010 and the Indigenous Capacity Building Program (ICBP)*. The DSAS provides funding to assist small businesses to deal with the effects of the extremely dry seasonal conditions through access to accounting, legal or financial advice. The ICBP was developed to build the capacity, quality and consistency of Aboriginal tourism experiences in the State by providing direct funding assistance to operators for marketing collateral, physical resources/equipment, staff training/development and professional services.

During 2010-11 the SBDC made 322 grants at a total cost of \$565,384 resulting in an average grant per small business of \$1,755.85. Assuming the average hourly rate for the services of a private sector consultant is \$100, the grant money provides each client with approximately 17.56 hours of consultant's time (\$1,755.85 / 100). From SBDC records, each SBDC consultant sees on average two clients per hour. Therefore the number of 'direct client contacts equivalent' is 17.56 (consultant hours) x 2 (clients per hour) x 322 (grants given) = 11,309 'direct clients equivalent'.

The increased cost per direct client contact between the 2010-11 target and actual result relates to the overall reduction in direct client contacts during the year (down by 94,956 in 2010-11). This relates directly to the transfer of the Skilled Migration program in May 2010.

- <sup>3</sup> **Indirect client contacts** are exposed to a range of advisory, information, referral and business services that would impact on their growth and business development. These include 16,887 who have attended *Award Functions*, *Expos* or other *Forums* which SBDC has organised, has been the major sponsor where the focus has been on business development, or where an SBDC representative has given an address on small business matters. **Indirect client contacts** also include the 41,072 occasions *SBDC web sites* have been browsed for between two and four minutes. The increased cost per indirect client contact generally relates to a reduction in website visitors associated with the transfer of the Skilled Migration program, and reduced participation at small business events,
- <sup>4</sup> **SBC client contacts.** In 2010-11 a total of 51,708 client assists were recorded, compared to 56,691 in 2009-10. The reduction in the number of client assists together with an increase in program costs in 2010-11 has resulted in an increase in the cost per SBC client contact against the 2009-10 outturn.
- <sup>5</sup> **Policy advice** includes policy submissions, investigative research, ministerial correspondence, industry liaison and small business sector advocacy. The cost of **policy advice** includes salaries and related staffing costs and all other direct costs associated with the Policy, Planning and Stakeholder Relations section of the SBDC, together with a notional allocation of corporate overhead costs. The variation between 2010-11 actual and target is the result of reduced salary costs associated with staff vacancies and reduced expenditure against a number of projects.

## Significant Issues Impacting the Agency during 2010-11

- Legislation to establish a Small Business Commissioner in Western Australia passed through the Parliament on 23 June 2011. The Small Business Commissioner will provide a low cost, non-litigious alternative dispute resolution service to small businesses throughout the State. This service is to be situated within the SBDC, with the position of the Commissioner replacing that of the Managing Director.  
  
Throughout 2010-11, time and expertise was required to prepare the legislation to establish the Small Business Commissioner. In addition, the introduction of the Commissioner during 2011-12 will result in substantial structural changes within the SBDC necessary to accommodate the new position and dispute resolution service.
- In May 2011, the SBDC relocated from 553 Hay Street to new premises at 140 William Street. After more than 20 years in the same location the move represented significant change for employees and clients. In preparation for the move, an internal transition group was established to deal with change management, communication and how to best service clients in the new location.
- During 2010-11, the high value of the Australian dollar had the capacity to impact on the flow of business migrants coming to live and work in Western Australia. Despite this, the SBDC, through the Business Migration Program, attracted over \$290 million in new capital from sponsored and registered business migrants, and generated 200 jobs for Western Australia.
- 2010-11 was the second year of the SBDC's popular and successful BiZFiT business resilience program which has been delivered across the State. Since its launch in October 2009, 2,128 business owners have accessed the program. BiZFiT was designed specifically for business operators needing to develop business skills and improve the sustainability and growth of their businesses. The program is expected to continue until December 2011.
- Changes to the natural and economic environment during the year in review, resulted in the SBDC being called upon to provide rapid response services to many regional small businesses. These services included Dry Seasons Assistance for small, non-farm businesses in the Wheatbelt regions and support for businesses adversely affected by the closure of the Gunns sawmill in Manjimup, and businesses in Carnarvon impacted by floods.

# Certification of Financial Statements

## CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

The accompanying financial statements of the Small Business Development Corporation have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2011 and the financial position as at 30 June 2011.

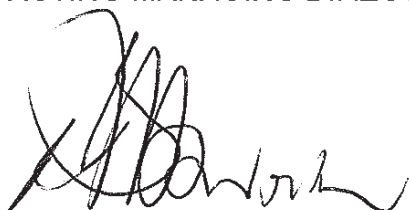
At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



R. MOUNTNEY  
CHAIRMAN



J. FINLAYSON  
ACTING MANAGING DIRECTOR



R. BUTTSWORTH  
CHIEF FINANCE OFFICER

7 SEPTEMBER 2011

# Statement of Comprehensive Income

For the Year Ended 30 June 2011

	Note	2011 \$	2010 \$
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	6	4,839,907	5,303,387
Supplies and services	7	3,534,255	4,033,814
Depreciation and amortisation expense	8	315,322	231,948
Communications expense		135,082	135,283
Maintenance expense		48,275	87,540
Grants and subsidies	9	3,830,466	3,021,709
Cost of sales	10	24,532	39,319
Loss on disposal of non-current assets	11	3,591	0
Other expenses	12	343,541	553,848
<b>Total cost of services</b>		<b>13,074,971</b>	<b>13,406,848</b>
<b>Income</b>			
<b>Revenue</b>			
User charges and fees	13	304,829	861,340
Sales	10	46,672	74,241
Commonwealth grants and contributions	14	254,605	0
Interest revenue		72,762	38,735
Other revenue	15	408,840	180,261
<b>Total Revenue</b>		<b>1,087,708</b>	<b>1,154,577</b>
<b>Total income other than income from State Government</b>		<b>1,087,708</b>	<b>1,154,577</b>
<b>NET COST OF SERVICES</b>			
<b>Income from State Government</b>	16		
Service appropriation		12,115,000	12,408,000
Resources received free of charge		9,474	15,694
<b>Total income from State Government</b>		<b>12,124,474</b>	<b>12,423,694</b>
<b>SURPLUS FOR THE PERIOD</b>		<b>137,211</b>	<b>171,423</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>137,211</b>	<b>171,423</b>

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

# Statement of Financial Position

As at 30 June 2011

	Note	2011 \$	2010 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	17	2,995,674	1,552,893
Inventories	10	18,131	31,771
Receivables	18	322,911	487,660
Amounts receivable for services	19	116,000	122,000
<b>Total Current Assets</b>		<b>3,452,716</b>	<b>2,194,324</b>
<b>Non-Current Assets</b>			
Amounts receivable for services	19	139,000	124,000
Furniture, plant and equipment	20	38,206	281,005
Intangible assets	21	48,188	101,933
<b>Total Non-Current Assets</b>		<b>225,394</b>	<b>506,938</b>
<b>TOTAL ASSETS</b>		<b>3,678,110</b>	<b>2,701,262</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	23	822,297	228,105
Provisions	24	1,050,899	926,085
<b>Total Current Liabilities</b>		<b>1,873,196</b>	<b>1,154,190</b>
<b>Non-Current Liabilities</b>			
Provisions	24	414,894	372,263
<b>Total Non-Current Liabilities</b>		<b>414,894</b>	<b>372,263</b>
<b>TOTAL LIABILITIES</b>		<b>2,288,090</b>	<b>1,526,453</b>
<b>NET ASSETS</b>		<b>1,390,020</b>	<b>1,174,809</b>
<b>Equity</b>			
Contributed equity	25	940,885	862,885
Accumulated surplus		449,135	311,924
<b>TOTAL EQUITY</b>		<b>1,390,020</b>	<b>1,174,809</b>

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

# Statement of Changes in Equity

For the Year Ended 30 June 2011

	Note	Contributed equity \$	Accumulated surplus/ (deficit) \$	Total equity \$
<b>Balance at 1 July 2009</b>				
		1,421,473	140,501	1,561,974
Total comprehensive income for the year		0	171,423	171,423
Transactions with owners in their capacity as owners:				
Capital appropriations		84,000	0	84,000
Distributions to owners		(642,588)	0	(642,588)
Total		(558,588)	171,423	(387,165)
<b>Balance at 30 June 2010</b>		862,885	311,924	1,174,809
<b>Balance at 1 July 2010</b>		862,885	311,924	1,174,809
Total comprehensive income for the year				
Transactions with owners in their capacity as owners:				
Capital appropriations		78,000	137,211	215,211
Total		78,000	137,211	215,211
<b>Balance at 30 June 2011</b>		940,885	449,135	1,390,020

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

# Statement of Cash Flows

For the Year Ended 30 June 2011

	Note	2011 \$	2010 \$
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation		11,984,000	12,277,000
Capital appropriation		78,000	84,000
Holding account drawdowns		122,000	116,000
Distribution to owners		0	(642,588)
<b>Net cash provided by State Government</b>		<b>12,184,000</b>	<b>11,834,412</b>
<b>Utilised as follows:</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(4,704,335)	(5,879,897)
Supplies and services		(3,021,388)	(3,607,141)
Communication expense		(112,309)	(137,982)
Maintenance expense		(51,525)	(77,424)
Grants and subsidies		(3,729,265)	(3,123,347)
GST payments on purchases		(679,247)	(678,634)
Other payments		(289,863)	(378,494)
<b>Receipts</b>			
Sale of goods and services		46,604	74,858
User charges and fees		304,829	869,128
Commonwealth grants and contributions		254,605	0
Interest received		40,953	37,087
GST receipts on sales		63,395	74,675
GST receipts from taxation authority		646,061	551,889
Other receipts		512,636	240,009
<b>Net cash used in operating activities</b>	26	<b>(10,718,849)</b>	<b>(12,035,273)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Payments</b>			
Purchase of non-current physical assets		(23,370)	(10,039)
<b>Receipts</b>			
Proceeds from sale of non-current physical assets		1,000	0
<b>Net cash used in investing activities</b>		<b>(22,370)</b>	<b>(10,039)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,442,781</b>	<b>(210,900)</b>
Cash and cash equivalents at the beginning of period		1,552,893	1,763,793
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	26	<b>2,995,674</b>	<b>1,552,893</b>

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

# Notes to the Financial Statements

For the Year Ended 30 June 2011

## Note 1. Australian Accounting Standards

### General

The Corporation's financial statements for the year ended 30 June 2011 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standard Board (AASB).

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

### Early adoption of standards

The Corporation cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements. No Australian Accounting Standards that have been issued or amended (but not operative) have been early adopted by the Corporation for the annual reporting period ended 30 June 2011.

## Note 2. Summary of significant accounting policies

### (a) General statement

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

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

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.

### (b) Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention and are presented in Australian dollars.

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

Note 3 'Judgements made by management in applying accounting policies' discloses judgements that have been made in the process of applying the Corporation's accounting policies resulting in the most significant effect on amounts recognised in the financial statements.

Note 4 'Key sources of estimation uncertainty' discloses key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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

Transfers of net assets to/from other agencies as a result of a restructure of administrative arrangements are to be accounted for as distributions to owners and contributions by owners respectively.

### (d) Income

#### Revenue recognition

Revenue is recognised and measured at the fair value of consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognised for the major business activities as follows:

#### Sale of goods

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

#### Provision of services

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

#### Interest

Revenue is recognised as the interest accrues.

#### Service appropriations

Service appropriations are recognised as revenues at fair value in the period in which the Corporation gains control of the appropriated funds. The Corporation gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury.

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

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

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

#### Gains

Realised and unrealised gains are usually recognised on a net basis. This includes gains arising on the disposal of non-current assets.

### (e) Furniture, plant and equipment

#### Capitalisation/expensing of assets

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

#### Initial recognition and measurement

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

#### Subsequent measurement

Subsequent to initial recognition as an asset, the cost model is used for the measurement of all items of furniture, plant and equipment where they are stated at historical cost less accumulated depreciation.

#### Depreciation

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

Furniture, plant and equipment are depreciated over their estimated useful lives using the straight line method. Depreciation rates applicable are as follows:

Furniture - 11.25% per annum

Equipment - 15% per annum

Leasehold Fixtures and Fittings - 16% to 60% per annum

Computing Equipment - 30% per annum

These rates are reviewed on a regular basis to ensure relevance.

Leasehold fixtures and fittings are depreciated over the shorter of either the unexpired period of lease or the estimated useful lives of the improvements.

### (f) Intangible assets

#### Capitalisation/expensing of assets

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

All acquired intangible assets are initially recognised at cost.

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

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life which is reviewed annually) on the straight line basis. All intangible assets controlled by the Corporation have a finite useful life and zero residual value. Amortisation rates applicable are as follows:

Software - 30% per annum

Development costs - 30% per annum

#### Computer Software

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.

### Development Costs

Development costs incurred for an individual project are carried forward when the economic benefits can reasonably be regarded as assured and the total project costs are likely to exceed \$10,000. Other development costs are expensed as incurred.

### (g) Impairment of assets

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

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is 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 falling replacement costs.

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

### (h) Leases

The Corporation holds operating lease arrangements for the rent of the motor vehicles. Lease payments are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased vehicles. No finance lease is held by the Corporation.

### (i) Financial instruments

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

- Receivables; and
- Financial liabilities measured at amortised cost.

Financial instruments have been disaggregated into the following classes:

#### Financial Assets

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

#### Financial Liabilities

- Payables

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

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

#### (j) Cash and cash equivalents

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

#### (k) Accrued salaries

Accrued salaries (see note 23 'Payables') represent the amount due to staff but unpaid at the end of the financial year, as the pay date for the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Corporation considers the carrying amount of accrued salaries to be equivalent to its net fair value.

#### (l) Amounts receivable for services (holding account)

The Corporation receives income from the State Government partly in cash and partly as an asset (holding account receivable). The accrued amount appropriated is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.

#### (m) Inventories

Publication stocks are valued at the lower of cost and net realisable value. Costs are assigned on an average cost basis.

#### (n) Receivables

Receivables are recognised at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis for impairment and any receivables identified as uncollectable are written-

off in accordance to TI 807. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

#### (o) Payables

Payables are recognised when the Corporation 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.

#### (p) Provisions

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

#### Provisions - employee benefits

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

#### Annual leave

The liability for annual leave expected to be settled within 12 months after the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

Annual leave not expected to be settled within 12 months after the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The provision for annual leave is classified as a current liability as the Corporation does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

#### Long service leave

The liability for long service leave expected to be settled within 12 months after the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

Long service leave not expected to be settled within 12 months after the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Unconditional long service leave provisions are classified as current liabilities as the Corporation does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Conditional long service leave provisions are classified as non-current liabilities because the Corporation has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

#### Sick leave

Liabilities for sick leave are recognised when it is probable that sick leave paid in the future will be greater than the entitlement that will accrue in the future.

Past history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income for this leave as it is taken.

#### Deferred leave

The provision for deferred leave relates to Public Service employees who have entered into an agreement to self-fund an additional 12 months leave in the fifth year of the agreement. The provision recognises the value of salary set aside for employees to be used in the fifth year. This liability is measured on the same basis as annual leave. Deferred leave is reported as a non-current provision until the fifth year.

#### Purchased leave

The provision for purchased leave relates to Public Service employees who have entered into an

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

#### Superannuation

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

Eligible employees contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995.

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

The Corporation has no liabilities under the Pension Scheme or the GSS. 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 Corporation to the GESB.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension

Scheme or the GSS became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). Both of these schemes are accumulation schemes. The Corporation makes concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. These contributions extinguish the liability for superannuation charges in respect of the WSS and GESBS.

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

#### Provisions - other

##### Employment on-costs

Employment on-costs, including payroll tax and 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' and are not included as part of the Corporation's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

##### Restoration costs

A provision is recognised where the Corporation has a legal or constructive obligation to undertake restoration work to make good the premises. Estimates are based on current market rates for restoring the premises.

**(q) Superannuation expense**

The superannuation expense in the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), WSS, and the GESBS.

**(r) Resources received free of charge or for nominal cost**

Resources received free of charge or for nominal cost that can be reliably measured are recognised as income at fair value. Where the resource received represents a service that the Corporation would otherwise pay for, a corresponding expense is recognised.

Services received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

**(s) Comparative Figures**

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

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

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

**Operating lease commitment**

The Corporation has entered into a number of operating lease arrangements and has determined that the lessors retain the significant risks and rewards of ownership of the items. Accordingly, the leases have been classified as operating leases.

**Note 4. Key sources of estimation uncertainty**

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.

**Long service leave**

Several estimations and assumptions used in calculating the Corporation's long service leave provision 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 provision.

## Note 5. Disclosure of changes in accounting policy and estimates

### Initial application of an Australian Accounting Standard

The Corporation has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2010 that impacted on the Corporation.

2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]

Under amendments to AASB 117, the classification of land elements of all existing leases has been reassessed to determine whether they are in the nature of operating or finance leases. As leases of land & buildings recognised in the financial statements have not been found to significantly expose the Corporation to the risks/rewards attributable to control of land, no changes to accounting estimates have been included in the Financial Statements and Notes to the Financial Statements.

Under amendments to AASB 107, only expenditures that result in a recognised asset are eligible for classification as investing activities in the Statement of Cash Flows. All investing cashflows recognised in the Corporation's Statement of Cash Flows relate to increases in recognised assets.

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

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

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

		<b>Operative for reporting periods beginning on/after</b>
AASB 2009-12	Amendments to Australian Accounting Standards [AASBs 5, 8,108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]  This Standard introduces a number of terminology changes. There is no financial impact resulting from the application of this revised Standard.	1 Jan 2011
AASB 1053	Application of Tiers of Australian Accounting Standards  This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.  The Standard does not have any financial impact on the Corporation. However it may affect disclosures in the financial statements of the Corporation if the reduced disclosure requirements apply. DTF has not yet determined the application or the potential impact of the new Standard for agencies.	1 July 2013
AASB 2010-2	Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements  This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements into these pronouncements for application by certain types of entities.  The Standard is not expected to have any financial impact on the Corporation. However this Standard may reduce some note disclosures in the financial statements of the Corporation. DTF has not yet determined the application or the potential impact of the amendments to these Standards for agencies.	1 July 2013
AASB 2011-2	Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 & 1054]  This Amending Standard removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting. DTF has not yet determined the application or the potential impact of the amendments to these Standards for agencies.	1 July 2011

		<b>Operative for reporting periods beginning on/after</b>
AASB 2010-5	<p>Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 &amp; 1038 and Interpretations 112, 115, 127, 132 &amp; 1042] (October 2010)</p> <p>This Standard introduces a number of terminology changes as well as minor presentation changes to the Notes to the Financial Statements. There is no financial impact resulting from the application of this revised Standard.</p>	1 Jan 2011
AASB 2010-6	<p>Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 &amp; AASB 7]</p> <p>This Standard makes amendments to Australian Accounting Standards, introducing additional presentation and disclosure requirements for Financial Assets.</p> <p>The Standard is not expected to have any financial impact on the Corporation. DTF has not yet determined the application or the potential impact of the amendments to these Standards for agencies.</p>	1 July 2011
AASB 9	<p>Financial Instruments</p> <p>This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments.</p> <p>The Standard was reissued on 6 Dec 2010 and the Department is currently determining the impact of the Standard. DTF has not yet determined the application or the potential impact of the Standard for agencies.</p>	1 Jan 2013
AASB 2010-7	<p>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 &amp; 1038 and Interpretations 2, 5, 10, 12, 19 &amp; 127]</p> <p>This Amending Standard makes consequential adjustments to other Standards as a result of issuing AASB 9 Financial Instruments in December 2010. DTF has not yet determined the application or the potential impact of the Standard for agencies.</p>	1 Jan 2013

**Operative for  
reporting periods  
beginning on/after**

AASB 1054	<p>Australian Additional Disclosures</p> <p>This Standard, in conjunction with AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards</p>	1 July 2011
AASB 2011-1	<p>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, 5, 101, 107, 108, 121, 128, 132 &amp; 134 and Interpretations 2, 112 &amp; 113]</p> <p>This Amending Standard, in conjunction with AASB 1054 Australian Additional Disclosures, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards.</p>	1 July 2011

	2011	2010
	\$	\$

**Note 6. Employee benefits expense**

Wages and salaries (a)	4,416,758	4,835,150
Superannuation - defined contribution plans (b)	423,149	468,237
	4,839,907	5,303,387

(a) Includes fringe benefits tax, leave entitlements including superannuation contribution component.

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

Employment on-costs expenses such as payroll tax, workers' compensation insurance and other employee related expenses are included at note 12 'Other expenses'. Employment on-costs liability is included at note 24 'Provisions'.

**Note 7. Supplies and services**

Premises	1,114,948	1,037,766
Media, advertising and promotions	182,156	349,378
Travel and accommodation	189,659	224,622
Professional services	1,126,848	1,556,313
Small Business Initiative Fund payments	40,652	78,590
Aboriginal Business Initiative Fund payments	156,063	57,343
Sponsorships	163,154	132,014
Other services	455,364	480,521
Consumable supplies	105,411	117,267
	3,534,255	4,033,814

**Note 8. Depreciation and amortisation expense**

Depreciation		
Office furniture	0	1,008
Office equipment	13,330	7,691
Leasehold fixtures and fittings	201,330	110,503
Computing equipment	46,917	57,757
Total depreciation	261,577	176,959
Amortisation		
Intangible assets - software	48,649	47,464
Development costs	5,096	7,525
Total amortisation	53,745	54,989
Total depreciation and amortisation	315,322	231,948

	2011 \$	2010 \$
<b>Note 9. Grants and subsidies</b>		
Small Business Centres - Operational grants	3,174,819	3,021,709
Small Business Centres - Capital grants	173,241	0
Capacity Building Program	46,604	0
Dry Seasons Assistance Program	435,802	0
	3,830,466	3,021,709
<b>Note 10. Trading profit</b>		
Sales	46,672	74,241
Cost of sales:		
Opening inventory	(31,771)	(28,968)
Purchases	(10,892)	(42,122)
	(42,663)	(71,090)
Closing inventory	18,131	31,771
Cost of Goods Sold	(24,532)	(39,319)
Trading profit	22,140	34,922
<b>Note 11. Net (loss) on disposal of non-current assets</b>		
<u>Proceeds from disposal of non-current assets</u>		
Computing equipment	1,000	0
<u>Costs of disposal of non-current assets</u>		
Computing equipment	(4,591)	0
Net (loss)	(3,591)	0
<b>Note 12. Other expenses</b>		
Restoration costs	20,344	212,548
Employment on-costs (a)	227,064	255,444
Other employee related expenses (b)	61,853	50,622
Audit fees (c)	34,280	35,234
	343,541	553,848

(a) Includes payroll tax and workers' compensation insurance. The on-costs liability associated with the recognition of annual, purchased and long service leave liability is included at note 24 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

(b) Includes staff recruitment, staff training and staff amenities.

(c) See also note 27 'Remuneration of auditors'.

	2011 \$	2010 \$
<b>Note 13. User charges and fees</b>		
Workshop income	22,074	39,716
Skills and Business Migration visa application fees	142,000	664,844
Fees for service agreements provided to the Commonwealth Government:		
Department of Transport & Regional Services		
- Indian Ocean Territories Service Delivery Arrangement	94,386	79,492
Australian Trade Commission		
- TradeStart	46,369	77,288
	304,829	861,340

**Note 14. Commonwealth grants and contributions**

Funding for the implementation of the Business Online Services system	254,605	0
	254,605	0

The Corporation will receive Commonwealth funding totalling \$822,000 over three years for the implementation of the Business Online Services (BOS) system. The BOS is part of the Council of Australian Governments reform agenda under the National Partnership Agreement to deliver a Seamless National Economy.

**Note 15. Other revenue**

Unused Small Business Centre Zone Funding returned (a)	3,451	41,222
Unused Small Business Initiatives Fund returned	0	24,229
Sponsorships	4,545	2,500
Funding from Tourism WA	300,000	0
Miscellaneous	100,844	112,310
	408,840	180,261

(a) These funds will be held pending allocation in future periods to meet Small Business Centre zone needs as they arise.

	2011 \$	2010 \$
<b>Note 16. Income from State Government</b>		
Appropriation received during the year:		
Service appropriation (a)	12,115,000	12,408,000
Resources received free of charge (b)		
Determined on the basis of the following estimates provided by agencies:		
Department of the Attorney General	3,179	4,871
Department of Treasury and Finance	6,295	10,823
	9,474	15,694
	12,124,474	12,423,694

(a) Service appropriations fund the net cost of services delivered. Appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.

(b) Services received free of charge or for nominal cost are recognised as revenue at fair value of the services that can be reliably measured and which would have been purchased if they were not donated.

**Note 17. Cash and cash equivalents**

Bank account	2,495,124	1,052,343
Cash investments - investment with Department of Treasury and Finance	500,000	500,000
Cash on hand	550	550
	2,995,674	1,552,893

**Note 18. Receivables**

Trade debtors	54,933	125,930
Net GST recoverable	120,883	118,130
Accrued interest	37,463	5,653
Prepayments	109,632	237,947
	322,911	487,660

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

	2011 \$	2010 \$
<b>Note 19. Amounts receivable for services (Holding Account)</b>		
Current	116,000	122,000
Non-current	139,000	124,000
	255,000	246,000

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

**Note 20. Furniture, plant and equipment**

Office furniture at cost	0	31,588
Accumulated depreciation	0	(31,588)
	0	0
Office equipment at cost	0	137,384
Accumulated depreciation	0	(124,054)
	0	13,330
Leasehold fixtures and fittings at cost	0	699,451
Accumulated depreciation	0	(498,121)
	0	201,330
Computing equipment at cost	179,184	359,759
Accumulated depreciation	(140,978)	(293,414)
	38,206	66,345
	38,206	281,005

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

	Office furniture \$	Office equipment \$	Leasehold Fixtures and fittings \$	Computing equipment \$	Total \$
<b>2011</b>					
Carrying amount at start of year	0	13,330	201,330	66,345	281,005
Additions	0	0	0	23,369	23,369
Disposals	0	0	0	(4,591)	(4,591)
Depreciation	0	(13,330)	(201,330)	(46,917)	(261,577)
Carrying amount at end of year	0	0	0	38,206	38,206
<b>2010</b>					
Carrying amount at start of year	1,008	15,721	311,833	124,102	452,664
Additions	0	5,300	0	0	5,300
Disposals	0	0	0	0	0
Depreciation	(1,008)	(7,691)	(110,503)	(57,757)	(176,959)
Carrying amount at end of year	0	13,330	201,330	66,345	281,005

	2011 \$	2010 \$
<b>Note 21. Intangible assets</b>		
Computer software at cost	181,563	181,563
Accumulated amortisation	(139,745)	(91,096)
	41,818	90,467
Development costs at cost	49,367	49,367
Accumulated amortisation	(42,997)	(37,901)
	6,370	11,466
	48,188	101,933
Reconciliations:		
Computer software		
Carrying amount at start of year	90,467	133,192
Additions	0	4,739
Amortisation expense	(48,649)	(47,464)
Carrying amount at end of year	41,818	90,467
Development costs		
Carrying amount at start of year	11,466	18,991
Additions	0	0
Amortisation expense	(5,096)	(7,525)
Carrying amount at end of year	6,370	11,466

**Note 22. Impairment of assets**

There were no indications of impairment to furniture, plant and equipment and intangible assets at 30 June 2011.

The Corporation held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

All surplus assets at 30 June 2011 have been written-off.

**Note 23. Payables**

Trade payables	249,816	26,859
Accrued expenses	464,757	114,012
Accrued salaries	107,724	87,234
	822,297	228,105

	2011 \$	2010 \$
<b>Note 24. Provisions</b>		
Current		
Employee benefits provision		
Annual leave (a)	345,959	274,583
Purchased leave	6,622	850
Long service leave (b)	428,619	405,020
	<u>781,200</u>	<u>680,453</u>
Other provisions		
Employment on-costs (d)	36,807	33,084
Restoration costs (e)	232,892	212,548
	<u>1,050,899</u>	<u>926,085</u>
Non-current		
Employee benefits provision		
Long service leave (b)	391,033	354,998
Deferred salary scheme (c)	5,275	0
	<u>396,308</u>	<u>354,998</u>
Other provisions		
Employment on-costs (d)	18,586	17,265
	<u>414,894</u>	<u>372,263</u>

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

Within 12 months of the end of the reporting period	300,704	229,513
More than 12 months after the reporting period	45,255	45,070
	<u>345,959</u>	<u>274,583</u>

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

Within 12 months of the end of the reporting period	142,873	135,007
More than 12 months after the reporting period	676,779	625,011
	<u>819,652</u>	<u>760,018</u>

	2011	2010
	\$	\$

(c) Deferred salary scheme liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the reporting period. Actual settlement of the liabilities will occur as follows:

Within 12 months of the end of the reporting period	0	0
More than 12 months after the reporting period	5,275	0
	5,275	0

(d) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including payroll tax and workers' compensation insurance. The provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in note 12 'Other expenses'.

(e) Under the previous lease, the Corporation, at the expiration of the lease, must pay the Landlord an amount in lieu of the obligation to make good the premises. The amount of \$232,892 is based on professional advice of current market rates for restoring the premises. The associated expense is disclosed in note 12 'Other expenses'.

#### Movements in other provisions

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

#### Employment on-cost provision

Carrying amount at start of period	50,349	60,905
Additional provisions recognised	5,044	0
Payments	0	(10,556)
Carrying amount at end of period	55,393	50,349

#### Restoration costs provisions

Carrying amount at start of period	212,548	0
Additional provisions recognised	20,344	212,548
Carrying amount at end of period	232,892	212,548

	2011 \$	2010 \$
<b>Note 25. Equity</b>		
The Government holds the equity interest in the Corporation on behalf of the community. Equity represents the residual interest in the net assets of the Corporation.		
<b>Contributed equity</b>		
Balance at start of period	862,885	1,421,473
<b>Contributions by owners</b>		
Capital appropriation	78,000	84,000
Total contributions by owners	78,000	84,000
<b>Distribution to owners</b>		
Transfer of Skilled Migration Program to Department of Training and Workforce		
Development	0	(642,588)
Total distributions to owners	0	(642,588)
Balance at end of period	940,885	862,885
<b>Accumulated surplus/(deficit)</b>		
Balance at start of period	311,924	140,501
Result for the period	137,211	171,423
Balance at end of period	449,135	311,924
Total Equity at end of period	1,390,020	1,174,809

	2011	2010
	\$	\$

## Note 26. Notes to the Statement of Cash Flows

### Reconciliation of cash

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

Cash and cash equivalents	2,995,674	1,552,893
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### Reconciliation of net cost of services to net cash flows used in operating activities

Net cost of services	(11,987,263)	(12,252,271)
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### Non-cash items:

Depreciation and amortisation expense (note 8 Depreciation and amortisation expense)	315,322	231,948
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Resources received free of charge (note 16 Income from State Government)	9,474	15,694
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Net loss on disposal of property, plant and equipment (note 11 'Net (loss) on disposal of non-current assets')	3,591	0
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### Changes in assets and liabilities:

Decrease in receivables	164,749	14,125
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Decrease/(Increase) in inventories	13,640	(2,803)
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Increase/(Decrease) in payables	594,192	(29,441)
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Increase/(Decrease) in provisions	167,446	(12,525)
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Net cash used in operating activities	(10,718,849)	(12,035,273)
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## Note 27. Remuneration of auditors

### Remuneration to the Auditor General (a)

- Auditing the accounts, financial statements and performance indicators	23,500	22,400
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### Remuneration to Deloitte Touche Tohmatsu

- Compliance audit	11,880	9,734
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	35,380	32,134
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(a) The fee for the 2009-10 audit (\$22,400) was due and payable in the 2010-11 financial year. The fee for the 2010-11 audit (\$23,500) will be due and payable in the 2011-12 financial year.

2011  
\$2010  
\$**Note 28. Remuneration of members of the accountable authority and senior officers**Remuneration of members of the accountable authority

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

	2011	2010
\$ 0 - \$10,000	6	5
\$ 10,001 - \$20,000	0	2
\$ 20,001 - \$30,000	1	0

The total remuneration of members of the accountable authority	76,296	75,627
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The total remuneration includes the superannuation expense incurred by the Corporation in respect of members of the accountable authority. No members of the accountable authority are members of the Pension Scheme.

Remuneration of senior officers

The number of senior officers, other than senior officers reported as members of the accountable authority, whose total fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

	2011	2010
\$ 40,001 - \$50,000	0	1
\$ 50,001 - \$60,000	1	1
\$ 80,001 - \$90,000	1	0
\$ 100,001 - \$110,000	0	1
\$ 110,001 - \$120,000	0	1
\$ 130,001 - \$140,000	1	2
\$ 140,001 - \$150,000	2	0
\$ 150,001 - \$160,000	0	1
\$ 180,001 - \$190,000	1	0

The total remuneration of senior officers	748,431	741,532
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The total remuneration includes the superannuation expense incurred by the Corporation in respect of senior officers other than senior officers reported as members of the accountable authority. No senior officers are members of the Pension Scheme.

	2011	2010
	\$	\$

**Note 29. Affiliated Bodies****Small Business Centres**

During the year \$3,174,819 was paid out to Small Business Centres by way of operational grants. The Centres are separately incorporated entities located in city and country areas to assist small businesses to expand or develop new business ideas.

**Note 30. Indian Ocean Territories Service Delivery Arrangement**

The Corporation has an agreement with the Commonwealth of Australia to provide business information, enterprise development, assistance and training to new and existing small to medium enterprises located on Christmas and Cocos (Keeling) Islands. An amount of \$614 was carried forward from 2009-10. During 2010-11, \$94,386 was received from the Commonwealth. Gross expenditure against this was \$94,855 and the remaining \$145 has been carried forward to the 2011-12 financial period.

**Note 31. Commitments**

## Lease Commitments

Analysis of non-cancellable operating lease commitments for buildings and vehicles:

Within 1 year	25,060	444,976
Later than 1 year and not later than 5 years	13,751	19,270
	38,811	464,246

Other expenditure commitments, being funding for Ignition program, provision of Business Licence Information Services and presentation of Bizfit program (2011) contracted for at the end of the reporting period but not recognised as liabilities are payable as follows:

Within 1 year	144,175	338,170

These commitments are all exclusive of GST.

**Note 32. Contingent liabilities and contingent assets**

No contingent liabilities and contingent assets exist as at 30 June 2011.

2011  
\$2010  
\$**Note 33. Financial Instruments****(a) Financial risk management objectives and policies**

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

**Credit risk**

Credit risk arises when there is the possibility of the Corporation's receivables defaulting on their contractual obligations resulting in financial loss to the Corporation.

The maximum exposure to credit risk at end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets as shown in the table at note 33(c) 'Financial instrument disclosures' and note 18 'Receivables'.

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

**Liquidity risk**

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

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

**Market risk**

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Corporation's income or the value of its holdings of financial instruments. The Corporation does not trade in foreign currency and is not materially exposed to other price risks. The Corporation has no borrowings and its exposure to market risk for changes in interest rates relate primarily to cash and cash equivalents which are interest bearing as detailed in the interest rate sensitivity analysis table at note 33(c) 'Financial instrument disclosures'.

	2011	2010
	\$	\$

(b) Categories of financial instruments

In addition to cash, the carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

**Financial Assets**

Cash and cash equivalents	2,995,674	1,552,893
Receivables (i)	347,396	377,583

**Financial Liabilities**

Financial liabilities measured at amortised cost	822,297	228,105
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(i) the amount of receivables excludes GST recoverable from the ATO (statutory receivable) and prepayments.

(c) Financial instrument disclosures

Credit risk and interest rate exposures

The following table discloses the Corporation's maximum exposure to credit risk, interest rate exposures and the ageing analysis of financial assets. The Corporation's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired. The table is based on information provided to senior management of the Corporation.

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

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

Interest rate exposure and ageing analysis of financial assets (a)

	Weighted average effective interest rate %	Carrying amount \$	Interest rate exposure		Past due but not impaired	
			Variable interest rate \$	Non-interest bearing \$	Up to 3 months \$	3-12 months \$
<u>Financial Assets</u>						
<b>2011</b>						
Cash at bank	2.97	2,495,124	2,495,124			
Cash investments	5.03	500,000	500,000			
Cash on hand		550		550		
Receivables (a)		92,396		92,396	92,396	0
Amount receivable for services		255,000		255,000		
		<u>3,343,070</u>	<u>2,995,124</u>	<u>347,946</u>	<u>92,396</u>	<u>0</u>
<b>2010</b>						
Cash at bank	1.11	1,052,343	1,052,343			
Cash investments	4.00	500,000	500,000			
Cash on hand		550		550		
Receivables (a)		131,583		131,583	131,583	0
Amount receivable for services		246,000		246,000		
		<u>1,930,476</u>	<u>1,552,343</u>	<u>378,133</u>	<u>131,583</u>	<u>0</u>

(a) The amount of receivables excludes GST recoverable from the ATO (statutory receivable) and prepayments.

#### Liquidity Risk

The following table details the contractual maturity analysis for financial liabilities.

Interest rate exposure and maturity analysis of financial liabilities

	Weighted average effective interest rate %	Interest rate exposure		Maturity dates	
		Carrying amount \$	Variable interest rate \$	Non-interest bearing \$	Up to 3 months \$
<u>Financial Liabilities</u>					
<b>2011</b>					
Payables		822,297		822,297	822,297
		822,297	0	822,297	822,297
<b>2010</b>					
Payables		228,105		228,105	228,105
		228,105	0	228,105	228,105

The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities at the end of the reporting period.

#### Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Corporation's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

	Carrying amount \$	-100 basis points		+100 basis points	
		Surplus \$	Equity \$	Surplus \$	Equity \$
<b>2011</b>					
<u>Financial Assets</u>					
Cash at bank	2,495,124	(24,951)	(24,951)	24,951	24,951
Cash investments	500,000	(5,000)	(5,000)	5,000	5,000
		(29,951)	(29,951)	29,951	29,951
<b>2010</b>					
<u>Financial Assets</u>					
Cash at bank	1,052,343	(10,523)	(10,523)	10,523	10,523
Cash investments	500,000	(5,000)	(5,000)	5,000	5,000
		(15,523)	(15,523)	15,523	15,523

#### Fair Values

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

	2011 Estimate	2011 Actual
	\$	\$

### Note 34. Explanatory Statement

Significant variations between estimates and actual results for income and expense are shown below. Significant variations are considered to be those greater than 5% and at least \$15,000.

#### (a) Significant variances between estimated and actual result for the financial year

##### Expenses

Employee benefits expenses	6,062,000	5,049,289
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The variance is due to the transfer of the Skilled Migration Program to the Department of Training and Workforce Development subsequent to the release of the 2010/11 budget. There have also been a number of positions remain vacant for part of the year.

Grants and subsidies	3,270,000	3,830,466
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Additional grant expenses associated with the once-off Dry Seasons Assistance Program and the new Indigenous Capacity Building Program.

Supplies and services	1,539,000	2,159,839
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Additional expense is related to the implementation of the new Business Online Services system and ongoing payments for the BiZFIT program.

Accommodation	1,050,000	1,116,089
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The variance can be attributed to a significant increase in office rental following the renegotiation of the lease for previous office accommodation and the delay in moving to current premises which offers lower rental.

Depreciation and amortisation	116,000	315,322
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Additional expense is due to accelerated depreciation charged to equipment, fixtures and fittings as the expiration of the previous office lease in December 2010 has resulted in a reduced useful life of these assets.

	<b>2011 Estimate \$</b>	<b>2011 Actual \$</b>
Other expenses	1,021,000	603,966
The variance is due to an overall reduction in advertising, marketing and promotional activity during the year, together with the transfer of the Skilled Migration program.		
<b>Income</b>		
Other revenue	180,000	481,602
The increase is due to the transfer of \$300,000 to SBDC by the WA Tourism Commission to assist with programs relating to mainstream tourism aspirants and Indigenous Tourism.		
	<b>2011 Actual \$</b>	<b>2010 Actual \$</b>
<b>(b) Significant variances between actual and prior year actual</b>		
<b>Expenses</b>		
Employee benefits expenses	4,839,907	5,303,387
The reduction is mainly due to the transfer of the Skilled Migration Program to the Department of Training and Workforce Development in May 2010. In addition, a number of positions remained vacant for part of the year.		
Supplies and services	3,534,255	4,033,814
The decrease is due to a once-off payment to the Department of Training and Workforce Development in 2009-10 for the transfer of the Skilled Migration Program. There has also been an overall reduction in general marketing and advertising during the year.		
Depreciation and amortisation expense	315,322	231,948
Additional expense is due to accelerated depreciation charged to equipment, fixtures and fittings as the expiration of the previous office lease in December 2010 has resulted in a reduced useful life of these assets.		
Maintenance expense	48,275	87,540
A decrease in software maintenance expense relates to the migration from a Novell platform to the Microsoft Windows platform including Office 2007 and Exchange/Outlook in 2009-10.		

	2011 Actual \$	2010 Actual \$
Grants and subsidies Additional grant expenses associated with the Small Business Centre capital grants, Dry Seasons Assistance Program and the Indigenous Capacity Building Program.	3,830,466	3,021,709
Other expenses The decrease relates to a provision to meet restoration costs in 2009-10 as a result of an obligation to make good of office premises at the expiration of the lease in December 2010.	343,541	553,848
<b>Income</b>		
User charges and fees The decrease is related to the transfer of the Skilled Migration Program to the Department of Training and Workforce Development in May 2010 resulting in no application fees received through the Skills Migration Program this year.	304,829	861,340
Sales A reduction in visitor numbers to the Business Information and Licence Centre during the year has resulted in decreased sales.	46,672	74,241
Commonwealth grants and contributions This represents Commonwealth funding for the implementation of the Business Online Services (BOS) system. The BOS is part of the Council of Australian Governments reform agenda under the National Partnership Agreement to deliver a Seamless National Economy.	254,605	0
Interest revenue An increase in interest rates during the year has resulted in an increase in interest revenue.	72,762	38,735
Other revenue The increase is due mainly to the transfer of \$300,000 to SBDC by the WA Tourism Commission to assist with programs relating to mainstream tourism aspirants and Indigenous Tourism.	408,840	180,261